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INDUSTRY 4.0 FORUM AND ERP SHOOTOUT

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logistics

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ERP software

CMR

human
resources

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PERSPECTIVE



CHANGES EVERYTHING.

**Decoding Business Software Selection: Strategies for
Maximizing Value and Minimizing Risk**

WIPFLI

Agenda

- Introduction – “Why”
- Manage the process
 - ▶ Goals and objectives
 - ▶ Data gathering
 - ▶ Requirement documentation
 - ▶ Due diligence
 - ▶ Decision making
 - ▶ Contract Negotiation
- Framework for Selection
- Summary

Introduction

Google



Google Search

I'm Feeling Lucky

Why?

- Why is your organization embarking on this path
 - ▶ Strategic plan?
 - ▶ Part of technology roadmap?
 - ▶ Support organization growth?
 - ▶ Aging technology?
 - ▶ Attract and maintain talent?
 - ▶ Support process change?
 - ▶ Enable a remote workforce?
 - ▶ Marketplace disruption?
 - ▶ Any of hundreds of additional reasons?

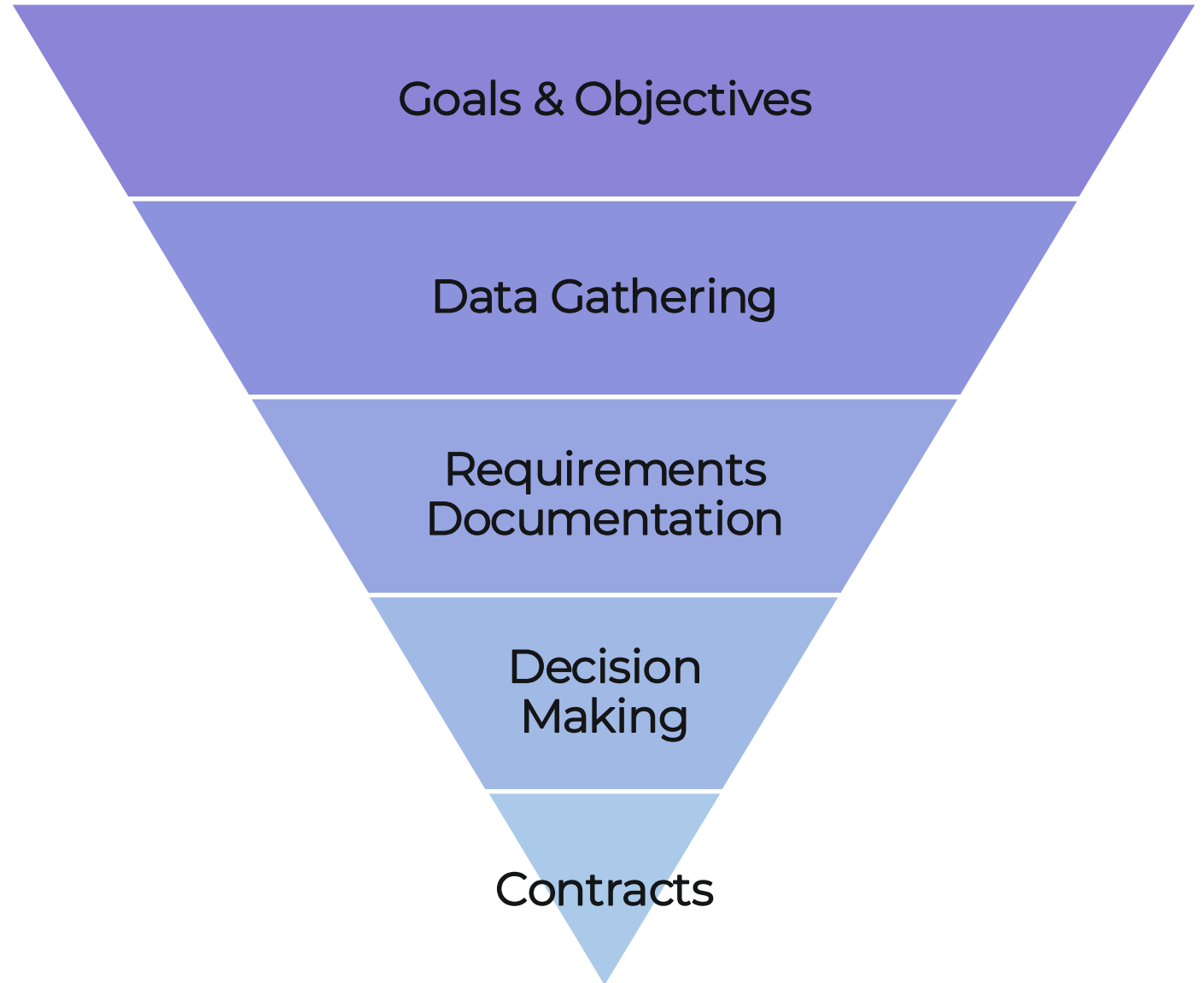
Why?

- Why are you in this session
 - ▶ Don't know where to start
 - ▶ Been burned before
 - ▶ High risk
 - ▶ Differences in direction
 - ▶ Budget needs
 - ▶ Only have one chance to get it right
 - ▶ Other reasons

Manage the process



The Solution: Manage the Process



Goals and objectives

Goals

- General
- Intangible
- Broad
- Abstract
- Strategic

Objectives

- Specific
- Measurable
- Narrow
- Concrete
- Tactical

Data gathering

Two important parts of data or “requirements” gathering

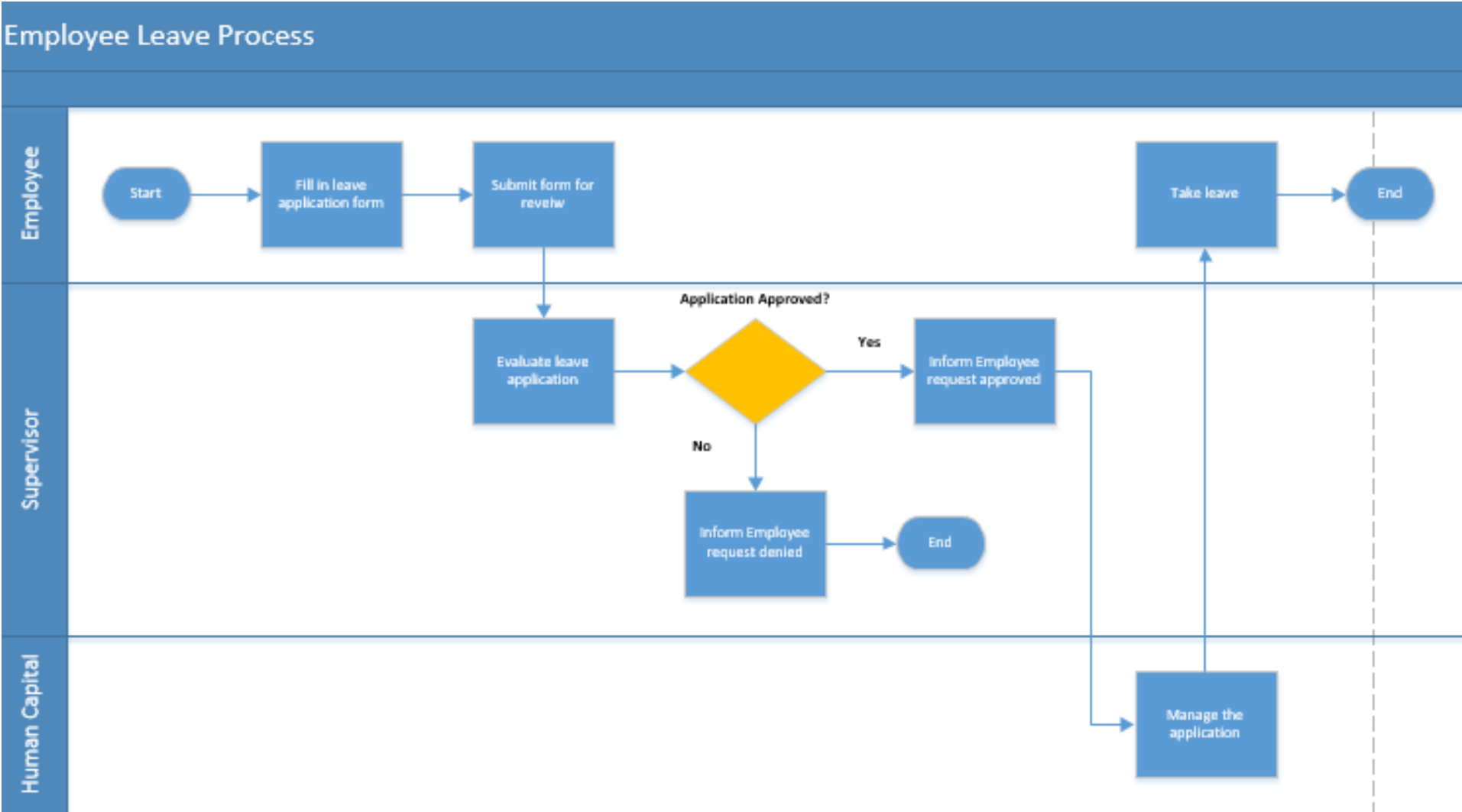
- Features
- Processes
- **Features are the building blocks of a software system**
 - Master Data Management
 - Web portal access
 - Ad hoc reporting
- **Processes are how the features work together**
 - How you onboard a new vendor
 - How a customers interact online
 - How you query for a specific report by date

Learn via Interviews!

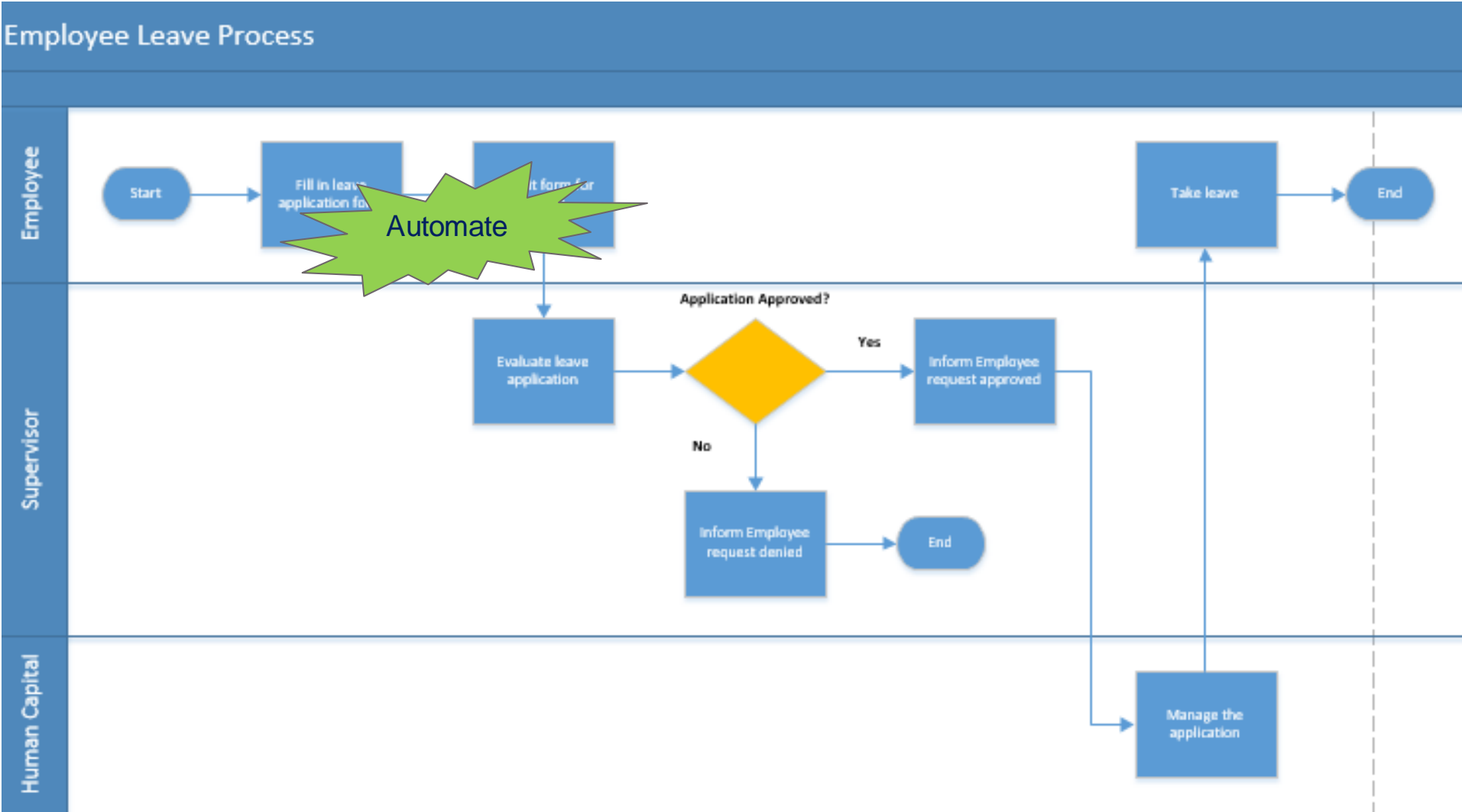
- Conducted by work group
 - ▶ Break down silos!
- 2-5 Client SME's
 - ▶ Subject matter experts – the people close to the work!
- Review key business process flows
- Discuss existing software gaps
- Discuss future software needs and wants – innovative technology



Process map



Process map



Requirements documentation

- Give the project and organizations background
- Define the project's goals
- List requirements – features and process
 - ▶ Use plain language
- Timelines
- Define deliverables
- Create a scoring criteria
 - ▶ Include procurement policies
- Nominate the internal contact
- Decide on the recipients

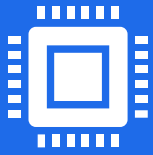


Vendor Universe

- Industry leading vendors of ERP Software
- Deployment preferences
- Functionality requirements
- Project budget



Deployment Options



On-Premise:
Software that is installed locally on servers that are managed at the customer's place of business



Cloud/Hosted:
Software that is installed off-site in a data center owned by the VAR or 3rd Party



SaaS:
Software that is hosted by the solution provider and accessed via a web browser

Deployment Options

On-Premise

- Management of Upgrades
- Management of Hardware

Cloud/Hosted

- Management of Upgrades
- ~~• Management of Hardware~~

SaaS

- ~~• Management of Upgrades~~
- ~~• Management of Hardware~~

Mitigating Risks of Cloud Solutions



Select a reputable provider



Ask vendors about their risk mitigation strategies



Data ownership policy



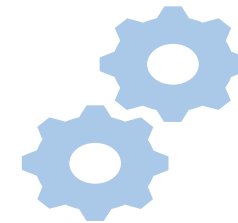
Security measures



Uptime guarantees



Service and support contracts



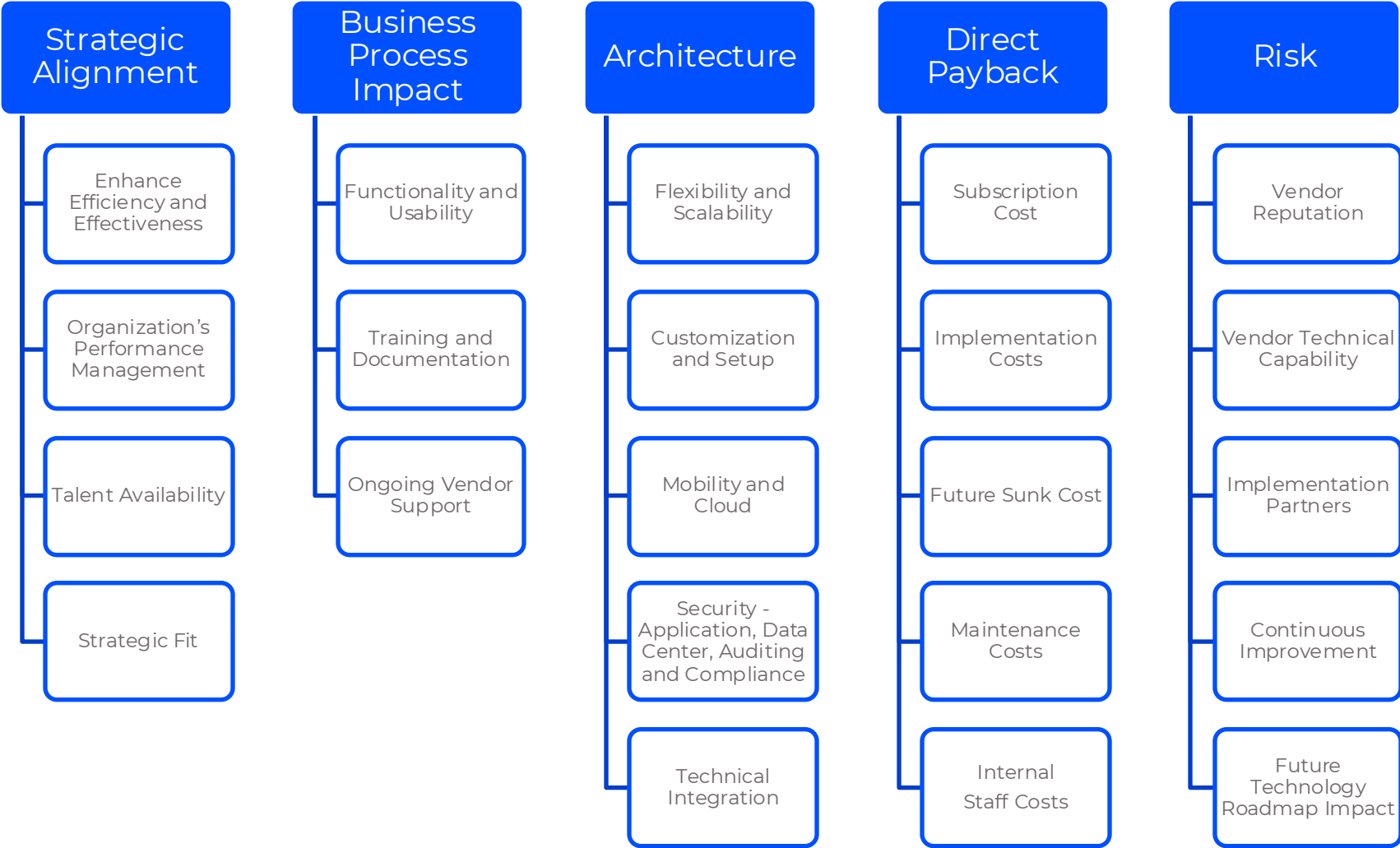
Upgrade processes

Decision making

- Step 1 – Review responses to the RFP
 - ▶ Ask follow-up questions
- Step 2 – Narrow list
 - ▶ Only those you want to see demonstrated make the list
- Step 3 – Seeing is believing - Demo
 - ▶ Dictate the agenda
 - ▶ Watch the system execute the processes you've provided
- Step 4 – Evaluate
 - ▶ Compare and contrast
 - ▶ Which solution will take you where you want to go



Scoring Model



Contracts & SOW

- Preparation is key
- Get clear cost definitions
 - ▶ Software
 - One time or subscription
 - ▶ Implementation – Statement of Work
 - ▶ Annual maintenance
- Select the point person for negotiation
- Use the right people
 - ▶ You don't do this everyday, leverage your organization's resources or legal counsel for advice



An aerial photograph of a winding road through a dense forest, overlaid with a blue tint. The road curves through the trees, and the overall image has a monochromatic blue color scheme.

Framework

For Selection

Selection Considerations

1. Software History
2. Features and Functionality
3. Technology Infrastructure
4. Reseller Experience

Software History

- Who is the parent company of the software?
- How long has the product been in the market?
- Where is the product heading? What market will it serve in the future?
- What types of customers are currently using the product?
- How many customers are using the product?

Features and Functionality

- What types of industry specific functionality exists?
- How does the software strategically extend its functionality?
- What is on the product roadmap? What are they investing in?
- What is the total cost of licensing the product? What annual fees are required?
- How does the product support department specific needs?
- How does the product support key value streams?
- How do users navigate effectively through the tool? What assists them in the learning process?

Technology Infrastructure

- What deployment options are available? What model do most of their customers choose?
- What is the total cost of ownership difference between the deployment options?
- How are product patches and updates applied? Who's responsible for doing the upgrades?
- Does the solution guarantee extended functionality works with the upgrade?
- If you fall behind on upgrades, at what point does a version become unsupported?

Value Added Reseller

- How long have they been working with the software?
- How many implementations have they done?
- What types of clients have they worked with?
- How big is their implementation, development and support team?
- What is their implementation methodology?
- What partnerships do they leverage in building the solution?
- What training materials and resources do they provide users?
- How do they support the company post-go-live?

Summary

- Understand your “Why?”
- Use a process
- Understand features and processes
- Don't recreate, innovate!
- Plain language
- Use a contract expert
- Follow trends wisely

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