

## BUSINESS ARCHITECTURE

# Business change issues for software package implementation



Investing in a new software platform for the business is not a small undertaking and yet many organisations fail to approach the challenge as a business change programme. So many organisations approach

the development of a new platform, probably the most important investment in ten years, as just a technology project.

Many business managers agree to buy a package based on limited exposure consisting of some reference sites, pre-sales demonstrations and of course price. In some cases the technological choice is made prematurely without good analysis and due process; the solution is just chosen and force-fed into the business with the downstream effect of chaos, customer dissatisfaction and brand damage.

Although technology when correctly applied can lead to substantial business benefits gained through enhanced client-facing functionality, efficient processing, reduced costs and improved management information, it can also become a great business constraint.

Package implementations have upsides and downsides. The upside to buying a package is that the costs of putting it in are often much less than building your own capability, particularly if your business is too small to leverage the investment of going it alone. The cost of development is not carried uniquely by one customer but is spread across several clients as the vendor has embedded its development costs and extensive know-how in producing a feature-rich package. The solution functionality is often well tried and well tested and this results in substantial reduction in the risk of project failure.

Nothing is ever simple and the limitations of going for a package need to be understood and taken into account during the decision process. As packages are sold to several clients then do not be surprised if some of your competitors have a similar offering and capability!

All vendors will tell you, with best intentions, that the package can be tailored to

fit requirements and indeed this is quite true, however, the more bespoke the development becomes the more the risk of the project failing increases, as will the costs both of implementation and future support - lets face it integrators make their money out of configuring and tailoring packages.

The more unique your installation becomes the more problematic an upgrade path becomes as each new release of a package can mean a new costly project to bring all your bespoke functionality and code up to speed with the new release of technology. This also means that the more bespoke work you require the more you have to look at the financial stability of the vendor as they need to be around in the future to keep your business going.

Beware of being used as a "foundation client" where an attractive price is promised as the provider uses your project as his development "sandpit". The benefits of lower costs are offset by increased and protracted testing with associated defect resolution; the impacts of this on the business can be considerable, including total project failure.

The most important message from exploring these issues is that if you choose a package, as opposed to building your own system, you need to be prepared to change your business processes and practices to minimise bespoke tailoring; this can mean that the I.T. tail starts to wag the dog which is not comfortable for many business managers. You may have to stop offering something that historically your customers have been used to receiving.

If we accept the concept that the choice of package will potentially change the way you do business then the choice becomes critical. It is essential that any organisation must establish its business functional requirements and ideally this should be done independently using professional analysts whether from within your company, contract staff or from a software agnostic consultancy. This is important to avoid software providers "warping" the solution towards their own offering. Analysing requirements is not the domain of amateurs as the mistakes of rectifying incorrect requirements are amplified through any development lifecycle. It is best to use people for whom business architecture and analysis is a profession as it will save a fortune across the longer term of the project.

The business requirements should be delivered from understanding the "Target Operating Model" and making a clear statement of what you want your capabilities to be. The functional requirements should be written in a solution-free format e.g. "the system must have the capability of...." The full set of high level business requirements can then be used to initiate the "Request For Information" (RFI) stage where different vendors can be assessed for the fit with the identified requirements and later to provide the basis for "Request For Proposal" (RFP) where a short list of potential suppliers can be assessed.

Any platform development is a business project not just an I.T. installation where an equal importance should be placed on process and people as well as technology. To give focus to the implementation of software alone is a recipe for trouble. It is so important to appreciate that a new application has to be integrated into operational processes with due consideration for the effect on clients, the integration with legacy business and the training of staff.

Business readiness is so vital to any platform change, and software vendors may or may not have the broad business change skills required to implement a complex business transformation. I have seen over the years many software projects fail because of too much focus on technology where the process and organisational side was neglected resulting in millions wasted in development costs.

It is often healthy to have additional independent help to deliver business change capability, to assist with business project management, business requirements definition and business readiness. This business project-centric approach creates a positive tension between software providers and the business where, particularly in smaller lessors, the in-house business change skills are not part of the core skill set of the business. Treating a major technology project as a holistic piece of business change has to be the recommended approach.

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