

Navigating the Software Selection Continuum: An Illustrative Approach

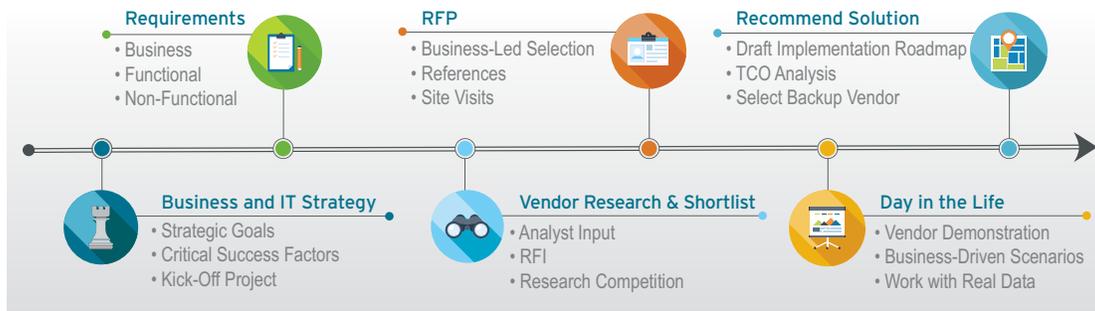


Figure 1

A Best Practices Tutorial

Selecting software packages to support business operations is something that all media companies do. Nonetheless, few have spent the time required to define, formalize, codify, communicate and strictly govern the process – efforts that can help ensure operational efficiency with a solution that best fits their requirements and aligns with key stakeholder objectives. Figure 1 above highlights the best practices that comprise a standard business process for solution selection.

In our view, M&E companies must adhere to the following 13 best practices in order to put the odds of successful implementation in their favour:

- 1. Make a build vs. buy decision before starting the solution-selection process.** Throughout the process of choosing software, it is important that a selection committee compares similar products. Obliging stakeholders to accept a vendor without a clear understanding of a software solution's strengths and limitations (current and future functionality) is not conducive to a fair assessment. At the same time, because non-technical resources can be influenced by sales talk and the "art of the possible," the vendor field should be limited to those with products that meet the company's current requirements. It's also important to examine build options – either before or after assessing commercial packages (and finding that no commercial package can meet the stated requirements).
 - **Risk if ignored:** Custom options will come across as meeting all requirements, but in reality, the total cost of ownership will be higher.

- 2. Identify the decision makers in advance, and brief them on responsibilities and expectations.** Try to avoid bringing in resources later, which might reset the selection process. This helps ensure that the software selection process will be timely and efficient. Forming a selection committee is important. Stakeholders will know what is expected of them, task- and time-wise. It's equally critical to identify committee members to the rest of the organisation so that any objections can be raised before vendors enter the picture. If needed, more people can be brought into the process, but they must understand their roles (i.e., if they are casting votes or simply making suggestions/recommendations to the voting group).
 - **Risk if ignored:** The primary goal of the software selection process is to make a decision. This requires knowing who the decision makers are. Delaying the formation of a decision-making body could cause change-management issues that delay the process.
- 3. Collect requirements/stories/journeys before selecting a solution.** Choosing a vendor must be based on business requirements and address the business challenges at hand. Too often, a package is selected before requirements are confirmed. In some cases, an executive will make a decision without having sufficient information. In other scenarios, an effective vendor sales rep can short-circuit the procurement process. Having a list of specific needs will help identify and accurately assess any gaps in potential solutions and decide what compromises can or should be made.
 - **Risk if ignored:** The selected solution may not meet some critical requirements if these needs were not identified early on. These

oversights can force companies to “start over,” or live with a tool with significant shortcomings.

4. Solution selection is the first step in an implementation initiative. Treat it as such.

Standard project governance should apply during the solution selection phase, including regular communications, stakeholder involvement and change management. The business side needs to be involved from the beginning, and brought into the process when inevitable challenges occur. Otherwise, stakeholders will make it clear that *“That software wasn’t my choice,”* ... *“If I had been involved from the beginning, this wouldn’t have happened.”*

➤ **Risk if ignored:** Stakeholders won’t feel involved in the solution, and may not be as collaborative when issues arise or gaps need to be addressed.

5. Publish a schedule and stick to it. Treating solution selection as the first phase in an implementation initiative requires a detailed project plan that must be followed like any other phase of the software development lifecycle (SDLC). Early on, choose the stakeholders who will vote on the final selection. Defining the stages (request for information, request for proposal, demonstrations, site visits, etc.) up-front also provides clarity for both internal participants and vendors. Your organisation will receive the best performance and pricing from vendors if they believe that you will stick to your timeline/deadlines.

➤ **Risk if ignored:** The selection phase can drag on – consuming internal resources’ time and causing vendors to lose interest, since they don’t know when a deal might close.

6. Provide the vendor with as much information as possible. Vendor selection often requires M&E organisations to walk a tightrope – not knowing if they are giving vendors too much or too little information. Companies must be as open as possible – giving potential vendors a precise picture of strategic objectives, requirements and expectations. At the same time, some types of information should be held back in order to posture for a later negotiation (budget expectations), understand the intentions of changing vendors (using competing vendors to drive price down further) or safeguard sensitive corporate strategies (how the software might need to support a new product launch

or acquisition). To ensure consistent communications with vendors, internal resources working on the solution selection should have an open discussion about how much and what kind of information should be conveyed to vendors.

➤ **Risk if ignored:** Essential information that would allow a vendor to demonstrate a good fit is held back; in the worst case, the company makes the wrong software selection.

7. Make the record public (record conversations; save/publish scorecards, etc.).

One of the key objectives of the vendor selection process is to give internal stakeholders confidence in the chosen software solution. If a project team is having separate conversations with vendors or communicating internally without all stakeholders involved, their actions can be perceived in a negative way. However, if all discussions are documented and provided to all stakeholders, there is less chance that people will feel left out of the process.

➤ **Risk if ignored:** Stakeholders might feel as if they were not in control of the selection process and express reservations about the solution.

8. Spend time with vendors outside of the conference room; understand cultural fit.

In many cases, companies will select a vendor based on more than just software requirements. In situations where the vendor will support the application, or where you expect to have many changes or maintenance requirements going forward, your organisation must assess how the vendor aligns with your business’s culture (beliefs, values), and view their capabilities from both a technical and functional perspective.

One of Cognizant’s global publishing clients short-listed two vendors with very similar capabilities for its order-to-cash application. The final decision was made based on the cultural fit of the vendor organisation. Visiting a vendor’s offices is a good way to understand the culture and skills of the business beyond just the sales/solution team that your company is dealing with through the procurement process.

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- **Risk if ignored:** A vendor's capabilities and culture are not fully understood; if the vendor pivots away from serving the media industry, the result can significantly limit future modifications that impact your business.
- 9. **Encourage stakeholders/decision makers to have discussions outside of the conference room.** In many cases, your company's selection committee members will come from different areas of the business and view solution requirements in radically different ways. Encouraging debate and discussion among decision makers will help them gain an appreciation for how others will utilize the system and view themselves as part of a larger ecosystem, rather than simply an individual user of the application. We have seen this manifest positively as roadblocks that arise in a group setting are broken down following one-on-one discussions.
 - **Risk if ignored:** Strong personalities may not want to compromise in a large group setting – leading to a stalemate.
- 10. **Ask for references from successful and challenging projects.** While few projects are problem-free, companies look for vendors that will stand next to them during both good and bad times. In the software/vendor selection process, references can frequently prove worthless. The vendor selects target clients that offer glowing feedback and uses those references over and over. As part of a solution-selection initiative, your company should dictate the type of client reference it requires, rather than leaving that decision up to the vendor. Vendors too often worry about negative feedback; however, if a former client can say that it worked through a negative scenario with the vendor and the vendor was responsive and responsible, that endorsement can be more powerful than an unwavering positive recommendation.
 - **Risk if ignored:** Glowing references might reveal a "false positive" that doesn't address the vendor's ability to deal with change, or indicate how they collaborate with client organisations to work through issues.
- 11. **Involve a consulting group/implementation partner if necessary.** The nature of specialized roles required in many media industry sub-segments often results in companies taking an internally-focused approach to talent and resourcing. This can create a "closed" attitude towards technology selection that does not take into account a system's potential, or the impact of industry trends. If you believe such a situation exists in your company, it could be worth involving a consulting group or an implementation partner to assist in the software selection process.
 - **Risk if ignored:** Wider industry trends and/or best practices might be missed without outside assistance for project-related work.
- 12. **Make it personal!** Requirements are essential, but provide users with "day-in-the-life" scenarios and real data for them to run through the system. One recent trend we see in the media space is that companies abandon the traditional RFP in favor of story-based demonstrations from a small number of vendors sourced from industry recommendations. In this scenario, it's important that vendors be guided in a way that allows for "apples-to-apples" comparisons at the end of the process. We also find that having data and scenarios that stakeholders can identify with will allow them to visualize what working with the system will actually be like. At one vendor demonstration for a global entertainment company, the vendor used data from a manufacturing client. Even though the scenarios were relevant, the key business stakeholder couldn't get past the different industry and ultimately couldn't see himself using the tool.
 - **Risk if ignored:** Allowing vendors to control the agenda allows them to highlight their company's strong points and gloss over their weaknesses.
- 13. **Mind the gaps and navigate around them.** Packaged solutions will never meet all of your company's business requirements; you will need to compromise on certain aspects. Know your organisation's essential/priority/non-negotiable needs heading into the selection,

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Creating a Centre of Excellence: Framing and Defining the Selection Process

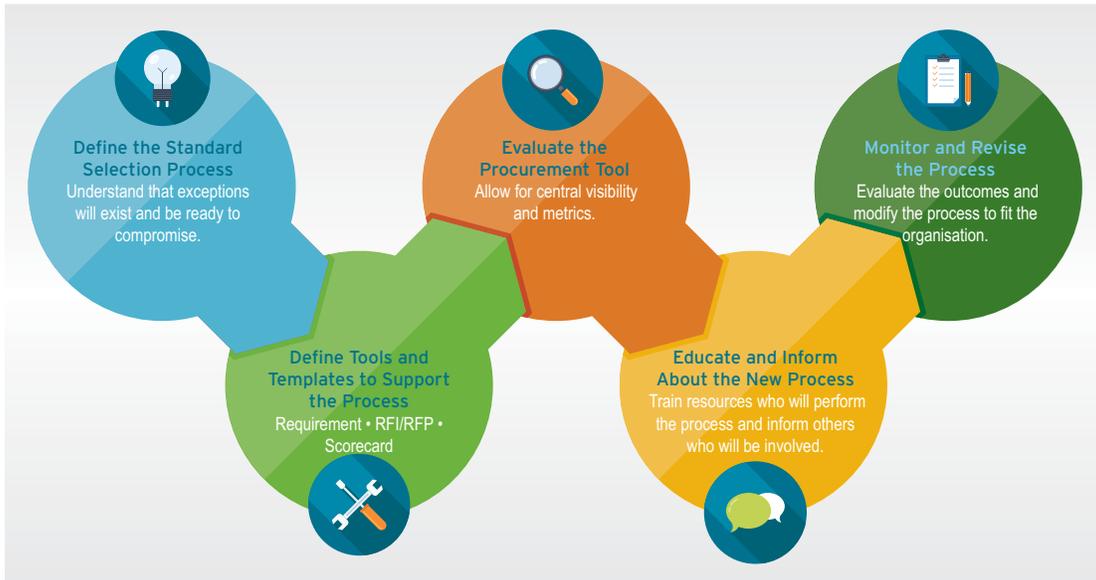


Figure 2

then create a roadmap for addressing the gaps that exist with the best-fit vendor.

➤ **Risk if ignored:** Companies can become consumed with addressing all requirements before going live, which can quickly devolve into a never-ending enhancement cycle in which costs and time balloon.

Creating a Centre of Excellence

You've likely heard about business and IT executives being swayed by a well-spoken vendor rep, making a purchase without a proper selection process, then handing it over to others to implement. Conversely, some companies struggle over which tool to move forward with – always asking for more information or another demo without coming to a decision. Organisations that don't have a formal methodology for solution selection will find themselves with a higher percentage of failed projects, although many times other issues will mask this reality.

If a company's IT team selects a software platform that the business never adopts, it's safe to assume that the business did not have time to vet and certify the solution before implementation. Likewise, if the software fails to address a

core business challenge, the vendor can be perceived as inflexible or short-sighted. In both cases, the root of the problem can be traced to a flawed selection process.

Setting up a Centre of Excellence around solution selection and investing in procurement tools can be a challenging business case; however, by framing and defining the steps and tasks involved in the selection process, companies can avoid pitfalls, build more confidence in selected solutions, and realize a higher success rate (see Figure 2, above).

Looking Ahead

A well-defined software selection process and tool set are essential for M&E companies, regardless of where the requirements originate within the business. The process can involve dedicated resources, or comprise a central support group

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that monitors activities and provides individual project teams with training and support.

Choosing the right solution and a qualified implementation partner are potentially the most important decisions media and entertainment companies will make when acquiring enterprise software. This process should not be treated as

a formality *prior* to implementation, but rather, as the *first phase* of deployment. To help ensure that their software selection projects start on firm ground, M&E businesses need to develop a detailed plan in advance, obtain buy-in from stakeholders, and continuously monitor vendor performance against critical expectations, best practices and business requirements.

About the Author

David Ingham is Director of Consulting within Cognizant's IME (Information Media & Entertainment) practice based in London. He has more than 16 years of experience as a media consultant. Most recently, David has focused on digital transformation within the publishing and entertainment sub-segments, including the impact of digital on business models (order-to-cash and record-to-report), rights and royalties, and customer engagement with content. David has worked with some of the world's largest filmed entertainment, publishing and performing rights organisations to address these challenges. He holds an MBA from Pepperdine University and attended the London School of Economics and Kalamazoo College as an undergraduate. David can be reached at David.Ingham@Cognizant.com

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