A Valued Partner - The Key to Modernizing Your Core Technology

INTRODUCTION

Modernizing your core technology is no easy task. Extensive pre-planning is not only critical, but the key to a successful implementation. So too is choosing the right technology partner to guide you on this journey; it might even be more important. With most large corporate purchases, it almost always comes down to financials, but it shouldn't. Having the right partner by your side can streamline efforts, anticipate potential hiccups, and deliver the technology you need now and for continued success. So long before the launch of the project, here are some important considerations for choosing the right core technology partner.

EVALUATE YOUR OPTIONS

Understanding your vendor options can help build a solid foundation for success. Learning the details on each vendor offering along with high-level discussions on project timing and scope will provide insight as to who to engage in the next steps of the process.

Hours and hours of demonstrations or 5,000-question RFIs are unnecessary at this stage, so it makes sense to keep the engagement light but concise. This approach is a great way to form an early opinion on who might make it to the short list. Companies should also cast a wide net and seek out conversations with a variety of solution options. Vendors hopefully evolve over time, so knowing that the actual implementation is several years in the making allows them to tell their story, vision, and roadmap for the future. It's important not to lose sight of what they are currently doing , but appreciate that they might look very different by the time they are needed. A brief, simple RFI could be appropriate at this time as well, as the goal here is to gather enough information to be informed while balancing the effort involved on both sides to engage.

Companies that are truly ready to kick off the selection process or have an accelerated time frame to make a decision to start the project will ideally expedite information gathering. There are a number of consultants that can help guide decision-making and shepherd a company from RFI creation through vendor recommendation. The decision on who to move forward with ultimately lies with the company, but having informed opinions along the way can help support/dissuade inherent concerns about a vendor, or point out overlooked details. That said, it makes sense to work with a consultant that doesn't have a vested interest in the implementation, to ensure an unbiased opinion for the duration of the system selection, especially considering the large investment.

Another key consideration for companies at this stage is making sure they have the "right" involvement from various teams in their organizations. Typically, these projects are IT lead, and the key decisions makers will come from IT since they will be the closest ones to the new platform. However, understanding the current and future needs of operations and other key stakeholders will result in a comprehensive RFI/RFP that encompasses criteria from all parties, making for a well-rounded valuation.

PARTNER DISCOVERY BEFORE PARTNERSHIP

Whether working with a consultant or within the internal organization to produce an RFI/RFP, it's important for the finished documents to be well organized, easy to understand, and capture the current requirements as well as a future vision. Narrowing your scope to only what you need now can prove disastrous when new requirements come to light. Once the RFI/RFP has been sent out, companies can start to form an opinion of what it will be like to work with the vendors. How responsive are they? Are they organized? Are they asking the right questions? Do they seem flexible or rigid? Vendors should be eager to win the business and make every effort to ensure that the customer journey is professional and as seamless as possible.

Capturing functional and technical requirements are a large part of any RFP, but so are cost and implementation timelines. It's important to recognize that a vendor at this point has limited data to be able to provide information beyond a high-level estimate. The number shouldn't ultimately come in at 20 times what was quoted in the proposal, but companies should not consider their RFP quotes as etched in stone at this stage. It's highly likely to have an outlier on the high end and on the low end, and it's important to dig into both ends of that spectrum. Given how competitive these processes can be and what is at stake for the solution providers, quoting an unrealistically low number on implementation just to make it through to the short list is not unheard of. The same logic applies if a vendor is three times or four times higher. Are they providing a more realistic number based on their experience in this market? Being able to provide realistic cost estimates based on that vendor's experience of successfully implementing this same product many times should not be taken for granted.

Core modernization is not a fast and cheap project; if pricing is too aggressive, it might be a sign of desperation from a vendor. In other words, they know they need to come in low because they aren't capable of implementing the full solution you are seeking. It may also be that they don't understand all the necessary capabilities and functionality, so they provided the best estimate they could based on their limited knowledge of the market. The adage "you get what you pay for" is always true. What may first appear as a great deal, may turn out to be bare-bones functionality that prohibits the anticipated and necessary efficiency and growth.

SEALING THE DEAL

The final decision stage is a critical one for obvious reasons, and companies are more frequently extending their evaluations into a Proof of Concept (POC), with one or multiple vendors. This is the vendors' opportunity to move away from a generic demonstration, into a real-life scenario and show what the technology would be capable of if installed. There are several different ways companies will structure a POC and each has their own expectation. The goal of a POC should be to ensure the selected solution is truly capable of doing what needs to be done at installation. Companies hopefully understand that

mobilizing a team to deliver a POC will require a significant investment of time, resources, and money on the vendors' part, so this exercise should not be started without strong feelings that this vendor could be "the one".

An important point that companies should consider is POC task requests should not be "throw-away" work; it should be something that helps move the project forward. If there are multiple vendors involved in this stage, unfortunately for some, it will be just "throw-away" work. Understandably, companies may harbor a fear that the solution may not work as well as hoped. The stakes are especially high, given the size of the investment they are making in the vendor.

There is a way to sidestep a POC and make sure that the project continues to proceed. As the evaluations conclude, there may be a clear choice, but some uncertainty about that vendor being able to deliver the desired outcome. Moving into the contracting phase but establishing contract language and designated milestones will allow for an easy backout of the agreement if certain markers are not met. This essentially accomplishes the same validation of a POC, but lets companies move at a faster pace to implement a new solution. It also provides an opportunity to break away cleanly if things are not going well.

ERRORS AND OMISSIONS

On the topic of contracting, which is arguably the most burdensome part of this entire process, companies have another opportunity to learn what type of relationship they will have with the chosen vendor and solution. These contracts are long and cumbersome and include all types of "what if" scenarios to ensure every angle is covered and resolutions to all types of issues are clearly defined. There will be redlines and additions no matter what, but both parties should approach these negotiations with a "does this make sense" mentality. Very often, some of the language that finds its way into these contracts lacks context or is simply outdated or misplaced. Most of the issues can be easily agreed on, but there are always a few deal breakers where hard decisions will need to be made. It is important to remember that both parties should want each other to be successful, and that provisions or terms that will ultimately prohibit the success of either should not be included in contracts. This is, after all a partnership, and both parties should want the best for each other as their combined success is critical.

CONCLUSION

There is a balance that needs to be struck early on in these relationships, where each party depends on each other for guidance. A company seeking out a new solution to run their business is asking for help. Therefore, it is critical that companies allow their selected vendor to assist them and listen to their advice. It's a tricky path to navigate as a vendor, because instinctually they want to say yes to everything to win business, but ultimately that is doing the company a disservice. Companies, on the other hand, need to be

open-minded in listening to the advice of their selected vendor. Vendors should be allowed to share their reasoning and alternative ideas freely without an immediate 'no'. Ultimately, these launch strategies should generate some new and productive conversations and strategic thinking for both parties to proceed on the right path forward, from kick-off to final rollout.

The right core technology partnership is a two-way street, with success on both sides. Start your vendor review process with a large cast of characters and a high-level project plan. Once detailed requirements from key project stakeholders are known, a comprehensive RFP will allow the top vendors to come into view. Input from consultants and POC testing can help narrow the field, but a vendor that shows a true understanding of project scope and a high level of service excellence could outshine all of them and prove a trustworthy and effective partner for long-term implementation success.

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