Getting the Right References

Site checks are important in evaluating new financial and accounting software. But be careful how you go about it, says Peter Morley.

Taking references is an important way of accurately gauging any product and vendor's worthiness, and is particularly useful when assessing new accounting software. After a careful evaluation of the product, you should seek out the views of those who have been there before you. You will not only benefit from their experience but may also avoid unforeseen difficulties.

Ideally, you should seek a number of references in order to moderate responses. If possible, try to make an actual visit to reference contacts. There is nothing better than seeing the people and system first hand. However this is not always practical or possible so a telephone or videoconference may have to suffice.

You will need to think carefully beforehand about what to ask potential referees. Time is at the premium and even a generic list of questions can easily fill the hour or so you may be given.

To maximise the limited time available, you will need to prioritise your questions based on a risk analysis of your implementation. But your questions will not only need to address the areas from your evaluation that you were least convinced about, but also the quality of the customer experience which will affect your ability to record a successful implementation.

Which companies to use

You should ask your software vendor to nominate reference sites. They may also wish to facilitate your introduction, if only to protect their existing customers from being constantly contacted by prospective clients.

Obviously, a software house will only recommend references which it considers to be a success. This certainly does not invalidate the exercise, as their implementation experience will be real enough. However it is important to be clear in your mind of the relevance of their situation to yours.

There must be meaningful parallels to hold best value for your organisation. Be aware also that there will be people for whom the cup is half full as well as those for whom it is half empty – so be prepared to make a judgement as to the relative significance of reported issues, or the true extent of glowing success.

It is a balance to decide who should attend the reference visit. There could easily be a technical, system maintenance/user support and business focus split in the agenda, for which you would require different people from your organisation. If you are limited to one or two people, make sure they are aware of the overall risks you will be trying to mitigate, and are able to ask searching questions.

It is best to attend without the software house being present. Their appearance could stifle honest and open debate. You should not be expecting to hear about a paragon of virtue, but rather people with whom you could have a constructive working relationship.

Key topics

Have a clear agenda of the topics you wish to cover. You can choose whether to send it in advance of your visit. It is probably best to have a general and detailed version – the general one that you send out in advance to highlight your areas of enquiry, and the detailed one that you work from on the day. This way both sides can field the right people and you will not overlook important areas.

If you are still in the evaluation process, at shortlist stage for example, it is vital that you cover similar or identical ground, for each of the different products, subject to the identification of their unique risks. This will ensure you have objective and comparable results.

To clarify your thinking, it is as important to understand the wider contextual issues, as it is to understand detailed points. In fact detailed points should have been covered earlier in the evaluation – the reference is about the 'experience'.

Specific topics to ask about include:

- Topography – number of sites, locations, users, environments, modules, interfacing links.
- Project governance – how was their implementation run, was there proactive 'change management' support?
- Underlying technology – hardware, operating system, database, communications lines.
- Training.
- Documentation quality.
- How the system is now supported – including staff cover.
- Experience of 'live use' – user satisfaction, achieving the business case.
- Who did the implementation and how long it took.
- Vendor or implementation partner responsiveness.

Real-life 'experience' questions should cover:

- Quality of the product delivered.
- Lessons learned from the implementation.
- Things they would do differently now.
- Ability to hold the project within budget.
- Access to knowledge and support.
- What went well and not so well.

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Some final recommendations

1. **Document your findings.** Take notes and minutes of the whole discussion – it is amazing how quickly detail will be forgotten. It is also worth looking back at reference notes six to eight weeks into an implementation, as issues raised by the organisation may well make more sense then, and can still be tackled in advance.

2. **Be tactful around costs.** You need to be careful about costs or risk breaking commercial confidentiality. It is best to work around financial and commercial risks rather than absolute numbers. This should develop into a healthy conversation that should reveal the areas you need to watch.

3. **Make good use of everyone's time.** Both their time and your time are limited. Show respect and make good use of it. State the time needed when you agree on your agenda and do not overrun it. Get a contact number if you need to go back over anything.

4. **Return the compliment.** Success for a software house is to have a client willing to be a reference site. In this respect your objectives are aligned, in the sense that your business success will make you an example they may wish to use. If you have benefited from the time of others, then be willing to host reference visits to your organisation in the future. When this is the case everyone benefits from the experience.