

THE USUAL SUSPECTS – THE TOP THREATS WHEN BUYING SOFTWARE OFF-THE-SHELF

BY [MARTIN TATE](#)

***A COMPANION ARTICLE FOR
OFF-THE-SHELF IT SOLUTIONS:
A PRACTITIONER'S GUIDE TO SELECTION AND PROCUREMENT
bcs.org/offtheshelfextras***

'Round up the usual suspects.'

Claude Rains (1889–1967)
as Captain Louis Renault
in Casablanca (1942)

WHAT YOU CAN LEARN FROM THIS ARTICLE

- Many organisations recognise the dangers of commissioning 'bespoke' software, but often significantly under-estimate the complexity, difficulty and therefore risk of an off-the-shelf procurement. The consequent approach is too casual and results in projects that under-perform or simply do not deliver, causing financial and reputational damage. This article proposes some safeguards within your approach.



THE TOP THREATS TO YOUR SELECTION PROJECT

1. REGARDING THE PROJECT AS “ONLY SHOPPING”

Threat: Assuming that selecting off-the-shelf software is quick, easy and low risk. In fact, you can damage an organisation just as much with off-the-shelf software that is a poor fit as you can with a software development project gone wrong.

Safeguards: Respect the risks. Recognise that systematic due-diligence is necessary, because the effort, cost and delay far outweighs the damage you will avoid (Tate, 2015).

2. TREATING SOFTWARE ADOPTION AS A PURE TECHNOLOGY PROJECT

Threat: Assuming there is no need to identify, consult and manage stakeholders. Assuming your selection is 'just an IT project' when actually, for most software, it is a business change or even transformation that involves some technology.

Safeguards: Recognise that IT sets a platform that creates the possibility that you can realise your benefits. The change management determines whether you actually do.

3. IGNORING REQUIREMENTS CAPTURE

Threat: Assuming there is no need for requirements definition because you believe a software product offers fixed facilities over which you have no control.

Safeguards: You might not be able to immediately change the content of a candidate software product (although free enhancements can be the most significant negotiation objectives). However, your requirements can (and should) shape the set of facilities you adopt during your selection – they are essential if you are to find the candidate with the closest fit.

4. USING PROCUREMENT PRACTISES THAT DO NOT SUIT SOFTWARE

Threat: Assuming that an off-the-shelf solution (whether by cloud subscription or on-premise package) is an artefact like (say) cleaning products that can be bought via the same procurement processes that your organisation uses for goods.

Safeguards: Evaluating a modern software product, wrapped in services from the supplier, represents such complexity (in your business requirements and in the potential solutions) that it is not really a 'thing' at all. It is more of an 'ecosystem' that results from combining programs, unique data, specific organisational processes or procedures and the human dimensions of training, change, power and the organisational dynamic. You should persuade your organisation that its normal approaches to procuring goods and commodity services will almost certainly be unfit for purpose. Amongst other things, your organisation needs to adopt a collaborative approach, with staged decision-making and progressive shortlisting, so you (and suppliers) invest more heavily in the strongest candidates.

5. ASSUMING SUPPLIERS WILL FIND YOU AN IRRESISTIBLE PROSPECT

Threat: Inexperienced purchasers of software products often assume that, simply by publishing their ITT, they will find multiple suppliers that will be keen to win their business on any terms and will reply with responses clear enough for them to pick a winner.

Safeguards: A more realistic mind-set is to assume that suppliers are resource-constrained, that they will be selective about responding and wary of the reputational damage of a failed project. Because of the need to transfer knowledge two ways, significant parts of the evaluation must be done through meetings, rather than by exchanging documents.

6. STATING REQUIREMENTS USING DICTATORIAL LANGUAGE

Threat: Assuming that writing requirements as 'dogmatic demands' in the format 'The system shall...' or 'The supplier must...' will automatically and effortlessly ensure compliance.

Safeguards: Recognise that this approach means you are more likely to lose control. By setting an authoritarian tone, you erode the collaborative atmosphere – this is not a battle, but a dance. The unintended consequences may include candidate suppliers responding with the service days necessary to enhance the software to give 100% compliance. You have then lost the initiative in 'value engineering' or deciding as the customer how much function you can sacrifice to adopt standard software without modifications.

7. BELIEVING IT IS PRODUCTIVE TO BE CALLOUS WITH SUPPLIERS

Threat: Assuming the candidate IT suppliers are a disposable and interchangeable commodity who can be intimidated, and that intimidation will ensure their best endeavours.

Safeguards: Regard suppliers as stakeholders and your contact with them as talent management. This is a courtship, because it is a collaboration – your success relies on knowledge held by multiple external organisations. So you must engage them in a way that enlists their expertise for your decision-making process, while protecting you from misunderstandings about the way your requirements will be met by the software or creative assertions about the performance of the software.

8. NEGOTIATING ON PRICE AT THE EXPENSE OF EVERYTHING ELSE

Threat: Assuming during the negotiation that your best interests lie in pursuing deep discounts at all costs, even walking away from the best-fitting candidate.

Safeguards: Ensure you are driven by value rather than price. One of the techniques is to avoid comparing the cost of a cheap but simply unsuitable candidate to an expensive but capable one. Don't jeopardise the major objective of the negotiation – to come to agreement – by aggressive bargaining, as if this were a simple commodity purchase of products that are identical and interchangeable. Equally, don't assume the most expensive is necessarily the best.

9. INSISTING ON USING YOUR STANDARD CONTRACTUAL TERMS

Threat: Assuming that you can simply include in the contract your standard Ts&Cs for supply of goods and services. This might create a self-selecting group of rogues and fools: the rogues have no intention of honouring your contract, the fools are so inexperienced they don't know what the contract signifies.

Safeguards: Recognise that credible suppliers will only start with their terms as the basis of contract, because they are fit for purpose. You should expect to negotiate from the base of supplier terms, not from your own Ts&Cs.

10. RELYING ON ORDINARY SENIOR DECISION-MAKING

Threat: Assuming that your normal governance will work, and senior decision-makers, during brief slots at normal management meetings, can 'wing it' as usual, making instinctive decisions (based on their 'experience' aka prejudices) about what supplier and solution to adopt.

Safeguards: Recognise that decision-makers are unlikely to already have the necessary combination of technical, commercial, change and due diligence expertise. Marshall the facts for a decision that is resolutely based on evidence.

11. NEGLECTING THE TEAM DYNAMICS

Threat: Assuming that you don't need to work on the team dynamic during the project, even though a software selection involves team-to-team selling with team-based decision-making.

Safeguards: Invest in your team dynamic – avoid group think, believe in debate, welcome different opinions and visualise positive reactions to challenges during arguments.

ARTICLE SUMMARY

TAKE-AWAY POINTS

- Staff often stumble into an IT selection without experience or method, beginning a personal journey of self-discovery by trial-and-error.
- They too often rely on traditional procurement practises that are inappropriate and usually counter-productive for COTS software.
- Lack of a sound process causes damage, revealed in due course as wasted time, money and reputation – for your organisation and the candidates.
- You should avoid a casual approach and employ a due-diligence process for your evaluation, selection and procurement that is smart, fit for purpose and explicitly addresses the threats identified in this article.



REFERENCES

Burden, P. and Tate, M. (2015) *The softer side of choosing an off-the-shelf solution*. BCS, The Chartered Institute for IT. bcs.org/offtheshelfextras (22 May 2015).

Tate, M. (2015) *Off-The-Shelf IT Solutions: A practitioner's guide to selection and procurement*. BCS, The Chartered Institute for IT: Swindon.

SAFEGUARD AS RECOMMENDED IN THIS ARTICLE	RELATED CHAPTER OR SECTION IN REFERENCES BOOK SECTION NUMBERS HAVE CHAPTER PREFIX, WITH I FOR INTRODUCTION
1. Effective due-diligence	Foreword, Sections I.2, I.5, I.6, 15.1
2. Attentive change management	I.8, 13.5.5, 13.8, 13.9
3. Sound requirements capture	I.4.2, I.4.3, 4.3, 4.6.1, 4.8, 5.5, 5.7
4. Fit-for-purpose procurement process	2.1, 2.7, 6.4, 8.6
5. Attractive prospective customer	2.3, 6.5, 8.3, 8.4.3, 9.5.6
6. Collaborative approach to requirements	1.6.4, 1.9, 2.9.1
7. Suppliers as 'the talent'	2.2, 2.4.1, 8.3.4, 8.9, 11.8, 12.1
8. Balanced negotiation	12.5.8, 12.13
9. Suitable commercial terms	12.11.2, 12.11.4
10. Evidence-based decisions	I.5.1, 7.15.1, 9.12.4
11. Sound team dynamics	14.3, 'Softer side' article (Burden and Tate, 2015)

FURTHER READING

BOOKS AND ARTICLES

Jenner, S. (2014) *Managing benefits: optimizing the return from investments* (2nd edition). TSO: Norwich.

Smith, R., King, D., Sidhu, R. and Skelsey, D. (2014) *The Effective Change Manager's Handbook*. KoganPage: London

USEFUL WEBSITES

Supporting *Extras* page for book with downloadable articles, templates and checklists:
bcs.org/offtheshelfextras

Evaluating, Selecting and Procuring Off-the-Shelf IT Solutions:
One-day course based on the BCS book:
selectofftheshelfitsolutions.eventbrite.co.uk

Change Management Institute. 'Organisational change maturity model'
change-management-institute.com/organisational-change-maturity-model-2012

Change Management Institute. 'The effective change manager: The change management book of knowledge' (CMBok):
change-management-institute.com/buycmbok

ISACA. 'COBIT for IT governance and alignment':
isaca.org

Tech Republic. 'Buying cycle for tech decision-makers':
techrepublic.com/buying-cycle

Version: 2.2 | Revised: 27-May-2015 | Word count: 1,527

© 2015 Martin Tate | Decision Evaluation Ltd | martin.tate@decisionevaluation.co.uk