

# Support the business, Maximize your technology investments - Part 1

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Technology has permeated into our everyday life. Businesses now rely on technology to maintain competitiveness in the marketplace by automating transactional, analytical and strategic outputs. Here's a sample:

Transactional	Analytical	Strategic
Online Banking	Sales Reports	Benchmarking against competitors

While revenue generating segments have been early adaptors of technology, administrative (non-revenue generating) functions are now starting to catch up, recognizing technology can contribute to effectiveness and efficiency benefits.

In their quest to keep pace with technology many organizations are attracted to “off the shelf”, or “ready made” technology solutions vs. in house developed solutions. Off the shelf solutions offer a variety of benefits including flexible configuration, low costs and warranties serviced through service level agreements (SLA's).

While many companies have implemented off the shelf solutions some organizations become dissatisfied with their providers and have switched to another. If tools do not meet expectations replacements can cause a ripple effect across the across the organization. Technology solutions are viewed as an investment in the form of time to adopt, training, technology, procurement costs, etc. Replacing a technology investment is not easy and is viewed as a “sunk” cost or loss by the organization. It can also impact the credibility of the group asking for a replacement.

During my experience of implementing many technology solutions I will share recommendations on how your organization can avoid costly pitfalls. This 2 part series will focus on three key areas:

**Selecting Your Tool  
Implementation and Roll Out  
On-going Maintenance**

## **Selecting Your Tool**

As stated earlier, your technology solution is an investment to solve a specific business issue or need. To ensure you make the right decision, consider the following:

- 1. Before you select a technology solution, identify the business needs the technology solution should address***

One of the pitfalls in this area is the lack of understanding *internally* on what the technology solution is supposed to address. Before a vendor is engaged, your organization should be clear about what the business need or issue. Vendors are there to help you meet your business needs. I have seen many demo's completely derailed because the focus was on whether the vendors could build specific functionality, instead of focusing on how the tool could meet the business needs.

***Lesson: Be clear about the business requirements the technology solution should address.***

## ***2. Focus on your requirements, do not be distracted by the bells and whistles***

Vendors put a lot of time and effort into their products and make it look as visually appealing as possible. It is easy to get distracted by *cool* features of a tool and what *it could be* used for. This, however, should not be the focus of your evaluation. Remember, you are there to evaluate if the tool can solve your business issue. While there are opportunities to expand the tool and there may be features that may be *cutting edge and modern*. Have a clear understanding of your requirements.

***Lesson: Evaluate the tool against your how it can meet your business needs today. Not what it could potentially do tomorrow.***

## ***3. If you have to “customize” more than 20% of the tool, move on***

As stated earlier, many initial meetings become the focus of customizations. I've been in many demo's where organizations have asked the vendor to almost rebuild their tool, defeating the purpose of buying an off the shelf tool. As an unwritten rule, you should not customize your tool more than 20%. If you try to customize more that this, vendors may find it challenging to support your organization specific tool over time. As technology evolves, vendors stop supporting older versions of their tool. Take the example of older versions of Internet Explorer (3.0). Most modern applications do not support anything below 5.5. The downstream impacts of high customization are:

- ***Helpdesk support:*** Vendors provide a helpdesk to support *their* tool. The more customized you make your tool the less general support will know about your customizations. Organizations have paid extra to someone who is dedicated to supporting your customizations either internally or by the vendor.
- ***Upgrades & system maintenance:*** Highly customized tools may result in additional fees for customizations added in new upgrades. Sometimes customizations cannot be supported in an upgraded version. In both cases it is important to keep your tool as close to the original solution as possible. This prevents issues with upgrades and migration and lets you take advantage other functionality the vendor offers.
- ***Change requests & enhancement:*** As your business evolves, your tool has to evolve with it. Change requests and enhancements are two avenues organizations have to influence change. Change requests are paid changes made to the organizations specific version of the base tool.

Enhancements are core product changes that impact the base tool and all clients. The ideal situation is to have the vendor incorporate your changes as enhancements to the base tool. Change requests can result in a highly customized version of the tool that can become costly and risky as outlined above.

- *Turn around and delivery time:* Simply put, the more your tool is customized, the more time and effort is required for analysts and developers to review your requirements, build the solution and test it. The result is longer turn around times which may mean longer lead times to meet your business needs.

***Lesson: Tools that are highly customized result in higher tangible costs and higher levels of risk over time.***

Next week we'll continue by addressing the other two, key areas, Implementation and Roll out and On-going Maintenance.

## **BIO**

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