Software Selection

Managing the complexity of choosing the right software
Selecting the best-fitting solution for the business

Whether you are integrating robots into the production process, optimizing your back office, or improving customer communications, having the right software in place is a critical success factor.

Process digitization through software solutions that support process automation and standardization is traditionally one of the core tasks of a CIO. However, existing applications are often dated and lack advanced functionality to support a better understanding of the customer and to leverage all business process potentials. Inflexible software may even limit your ability to innovate with new products and services. Faced with disruptive business and IT trends that translate into new requirements, existing legacy systems are challenged even further (see figure 1).

Meeting today’s requirements – and tomorrow’s

Today, customers expect a seamless, end-to-end, multi-channel journey. Retail and supply chain partners want reliable and available integration. Employees expect to access applications and data anytime, anywhere and on any device to accomplish their business tasks.

Software solutions now run the enterprise and have also become an increasingly important part of many products and services. Consequently, the need to introduce new and innovative solutions increases significantly. Replacing applications or introducing new ones requires a sound selection approach that considers not only current requirements but also relevant trends in the industry in order to ensure investments are sustainable.

Software selection challenges

With limited time and resources, it is a challenging task to select the best software solution while considering industry-specific challenges and aligning the decision with all relevant stakeholders.
Manage the inherent complexity of the decision
Even in many niche software markets, a plethora of options is often available. Given that software is of crucial importance to most businesses and time for selection is limited, understanding all options and selecting the best is an inherently complex challenge. Mistakes can be expensive and waste precious time.

Tackle specific challenges
Typically, application landscapes are highly integrated – both internally and externally. Integrating state-of-the-art applications with legacy applications is often a non-negotiable requirement that needs to be taken into account when selecting software. For most international companies, application scope is usually at least multi-country or global, but local requirements and variations also need to be considered (“glocal”).

Build acceptance for the process and decision
Since software has a great impact on everyday working lives, the selection process should involve key stakeholders representing all user groups. Different stakeholders’ expectations and requirements regarding a new software solution may differ widely. What IT believes to be the best option might not be in line with the views of stakeholders in other departments. However, even the best solution will fail without acceptance from the group of people who will actually use the software regularly. This consideration is especially important for solutions with social components that are adopted “bottom-up” by the users rather than implemented “top-down”.

Our recommended software selection approach
To overcome these challenges, Capgemini Consulting recommends a four-phase approach (figure 2). This approach makes it possible not only to select the best-fitting software and vendor, but also to build consensus and acceptance for the selection process and the decision among key stakeholders.

Phase 1: Set-up and scan
Stakeholders specify their requirements, which are captured in a high-level criteria catalogue. A market scan is then conducted to identify candidates. This process involves analyzing the market, excluding no-go vendors and compiling a long list of potential software solutions. Detailed information is then requested from these vendors.

Phase 2: Request for Information (RfI)
This phase involves assessing the long list of vendors based on their responses to the RfI document. It includes defining short lists of vendors based on evaluation results, detailing criteria, defining weightings and developing showcases.

Phase 3: Request for Proposal (RfP)
In this phase, vendors are requested to submit detailed commercial proposals. An analysis is conducted to compare vendors in different weighting scenarios. Final decisions are made on recommended vendors, and negotiations with recommended vendor(s) are finalized.

Phase 4: Decision
This phase involves finalizing negotiations with recommended vendor(s) and making and aligning the decision for software vendor selection.

Figure 2: Capgemini Consulting’s recommended project approach to software selection
“criteria catalog”. An overview of the relevant software market is provided with the help of your own subject matter experts as well as external advisors, resulting in a vendor long list. No-go candidates are swiftly eliminated in this phase. The result is a long list of 10-15 vendors.

**Phase 2: Request for Information (RfI)**

The long list vendors receive an RfI; their responses are assessed in order to compile a short list. In addition to the product’s coverage of functional and non-functional requirements, it’s important at this point to consider the vendor’s ability to deliver (figure 3 gives examples of selection criteria). This ensures selection not just of a suitable product, but also of a partner who can provide ongoing product support and innovation in the long term.

**Phase 3: Request for Proposal (RfP)**

Based on the results of the RfI assessment, short-listed vendors – typically three to five – are included in an RfP phase. An important step during this phase is to assess whether a product can meet the process requirements. This can best be achieved by inviting vendors to demonstrate to your subject matter experts how their products cover selected process scenarios – usually in interactive live demonstrations. An example of such a “showcase” is displayed in figure 4.

By evaluating functional requirements this way instead of through a checklist approach, a common software selection pitfall can be avoided: ensuring that functional requirements are met, but failing to check if the software can actually be used in the specific process context.

**Phase 4: Decision**

Finally, an in-depth analysis of the commercial proposals is conducted. Vendors are compared in multiple scenarios using different weighting schemes, each of which gives a different perspective to stabilize the resulting ranking. The ranking enables an accurate and well-informed decision regarding the best product and vendor.

Aligning the selection process, as well as the decision, with your key stakeholders takes time, but leads to a sustainable selection recommendation. With our support, clients can usually complete the selection process within eight to twelve weeks, depending on scope.

**Figure 3: Selection criteria (client project example)**

<table>
<thead>
<tr>
<th>Fitness of product</th>
<th>Ability to deliver</th>
</tr>
</thead>
<tbody>
<tr>
<td>“Does the software fit our requirements?”</td>
<td>“Is the software vendor the right partner for us?”</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Functional requirements</th>
<th>Non-functional / technical requirements</th>
<th>Vendor characteristics</th>
<th>Track record</th>
</tr>
</thead>
<tbody>
<tr>
<td>Core functional domains</td>
<td>Availability &amp; scalability</td>
<td>Market commitment</td>
<td>Standardization of software product</td>
</tr>
<tr>
<td>Additional functionality</td>
<td>Technology</td>
<td>Release strategy</td>
<td>References</td>
</tr>
<tr>
<td>Multi-product</td>
<td>Architecture</td>
<td>Resources</td>
<td>Past experiences</td>
</tr>
<tr>
<td>Multi-client</td>
<td>Security &amp; compliance</td>
<td>Project approach</td>
<td>Implementation partners</td>
</tr>
<tr>
<td>Multi-currency</td>
<td>Integration</td>
<td>Support</td>
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**Figure 4: Process-oriented evaluation of functional requirements (client project example)**

**Showcase example:** fully automated financing / leasing contract origination process (captive finance)

**Collaborative evaluation by key stakeholders (e.g., process owners, key users, IT experts):**

“Does the vendor’s solution fulfill our functional requirements in the context of our business processes?”

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**Next Steps**

Capgemini Consulting’s recommended software selection approach guides you from a comprehensive market overview to an objective, fact-based decision in a structured and focused way. At the same time, it helps you acquire buy-in from all stakeholders. Clients that rely on our recommended approach achieve benefits that include:

- Increased transparency and understanding of the relevant software market
- Focused reduction of complexity and of the number of software vendors in scope
- Reliable identification of the best-fitting software solution and vendor
- Deep stakeholder involvement
- Well-informed and sustainable decisions, aligned with business needs

Software selection is a complex challenge that requires expertise and experience. Capgemini Consulting is your ideal partner for software selection, because:

- Our best-practice approach for software selection is thorough and pragmatic, and comes with project accelerators (e.g., tools and templates)
- We understand the importance of stakeholder alignment for sustainable decision-making
- Building acceptance for the selection process and the eventual decision is an integral part of our approach
- We contribute methodological know-how, IT expertise, and deep industry knowledge
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