

TECHNOLOGY VENDOR SELECTION PROCESS

1: ASSESS FEASIBILITY

Organizational Readiness: buy-in from staff; overcoming tech fears and resistance to change.

Budgeting: can budget withstand reasonable variances from original estimates (15%)

Staff Availability: technology projects require a significant investment of time by your organization's staff: requirements gathering, training, testing, deployment & staff to manage vendor relationship & internal resources associated with project.

Sustainability: budget for ongoing support, hiring a tech manager, or giving ownership of maintenance to a staff member.

Return on Investment (ROI): is the project worth the investment? Will it allow you to serve your constituents better or serve more of them? Will it improve your operations and/or lower costs?

Arriving at a Decision: GO; NO-GO, GO LATER

2. GATHER REQUIREMENTS

Review Business Strategy: Identify the business goals you hope to accomplish with this technology project.

Ensure Alignment: technology will be an enabling factor & will not create a disruptive influence on the organization

Process Mapping: Document critical business processes that your organization performs. This will be critical for vendors to understand.

Process Re-engineering: Technology implementation often provides an opportunity to change the way certain business tasks are managed. Apply these to requirements.

Requirements Analysis: Identify critical requirements (number of users, current technologies in use, need for remote access, training, etc.) that you will need as a part of your technology solution.

Prioritization of requirements: Prioritize your list of requirements (necessary vs. nice-to-have)

Environmental assessment: If project involves environmental or physical location factors, conduct thorough assessment & document

Technical assessment: Document current technology & note all areas that may interface with a new solution.

3: RESEARCH / REFINE OPTIONS

Buy / Blend /Build / or Subscribe:

Establish Evaluation Criteria

Research: Discuss your project objectives with related organizations, trusted advisors, & tech consultants.

Define Targeted List: create a short, manageable list of vendors who may be able to meet your requirements. The list should correlate to proposed solutions & project complexity, i.e., for a small defined project 3 vendors may suffice: large complex projects may require as many as 8.

Send RFP: Send vendors your requirements information & ask them to submit a proposal. Typically requirements are sent in the form of a Request for Proposal (RFP).

4: EVALUATE VENDORS

Evaluation Matrix: Develop an evaluation matrix (to help you objectively evaluate vendors' proposals & product demonstrated effectiveness)

Proposals: Each invited vendor should respond to your RFP with a written proposal. Carefully evaluate each proposal and encode the proposal information into your evaluation matrix.

Product Demonstrations: Demos are a valuable way to get more information & evaluate intangible aspects of vendors & solutions.

Reference Checks: check vendors' references. Consider current customer site visits.

5: SELECT VENDOR

Primary and Secondary Options: At the conclusion of your evaluation process identify a primary option (your winner) & secondary alternatives.

Negotiations: Do not burn bridges with secondary option vendors; they are a valuable resource in the negotiation process. Ensure that the final deal you strike with preferred vendor is as favorable as your secondary options.

Contracting: Identify clear set of objectives, deliverables, timeframes, & budgets for project. Ensure these are clearly written in the terms of the contract.

6: MANAGE IMPLEMENTATION

Dedicate Project Manager (s): staff should have check points with vendor, ensuring delivery matches expectations.

Ensure Timely Delivery: keep track of deliverable dates & ensure that the vendor is meeting them. Be conscious of *your* deadlines & deliverables to your vendor so they can make their target delivery dates. Keep an eye out for contract terms that apply additional fees for late delivery of necessary project materials from you to the vendor.

Ensure On-Budget Delivery: In a Time & Materials (T&M) contract with vendor, then it is imperative to track hours spent & budgeted hours remaining on a project.

Manage Scope. Once an organization begins to see the technology possibilities, they often attempt to do too much in the initial development & launch of the solution. Consider your project with the vendor a "Phase 1 deployment" & try to push back new additions until a future phase. If a new addition is essential to a project, then you should clearly define it in an addendum to the scope of work & negotiate the price.

Manage Expectations: provide realistic timeframes and advance warning of any variances in budgets and timeframes.

7: SUPPORT & MAINTENANCE

Resources: include some or all of the following:

- Support Hours/Contract
- Hiring of tech resources to manage it
- Assignment of staff member to take ownership
- Patches & Maintenance
- Ongoing Training

Upgrades: Technology changes dramatically every 3 years and should never be considered a one-time investment.