

Selecting Retail Software: You're Better at IT than You Think

If you are like most retail executives, you don't view yourself as a software technology expert. In fact, you probably approach new information technology (IT) projects with trepidation and hand them off to the back-office staff or third-party consultants. This is an understandable fear, and one of the reasons retailers are still catching up to others in their adoption of technology.

The good news is that you probably already have the experience you need to change your company's success with IT; the same skills that make for effective retail operations can be applied to software selection. Just like opening a new store, selecting software requires meticulous planning and an accurate budget.

Why So Many Software Projects Fail

There are many reasons why IT projects fail, but we've isolated what we believe are the top four:

- Limited budgeting and planning;
- The wrong team for the job;
- Poor requirements planning; and,
- Lack of a rigorous selection process.

Ten Steps to Successful Software Selection

These ten clear steps should retailers through a successful, efficient selection process.

1. Assemble the Right Team. Start with an executive-level project sponsor to ensure the project gets the right funding and attention. Next, assemble a team of a store manager responsible for all details of the project, an IT staff if available, and end-users that will contribute their requirements and ideas.

2. *Establish Clear Goals for the Project.* All choices throughout the project should be weighed according to how well they help achieve goals such as: "Speed up the checkout process;" or "Improve inventory planning and purchasing."

3. *Build a Detailed Project Schedule.* The next step is to create a project schedule that outlines all the major activities and their sub-tasks. Be sure to assign an owner to each activity and task, and to monitor progress with an Excel spreadsheet.

4. *Create a Budget for the Project.* For a successful project, it is critical to have an accurate budget to work against. Be sure to account for costs outside of the software itself, such as touch screens, printers, barcode scanners, and credit card processing terminals.

5. *Define Your Requirements.* As the most important step in the entire process, define your functional and technical requirements for the new system. Consider a simple list of features, as well as a thoughtful analysis of "current" versus "optimal" business processes.

6. *Draft a Request for Proposal (RFP) and Evaluation Framework.* The RFP will take the form of a list of questions, critical features, and technical requirements that can be sent to software vendors for their response. The evaluation framework spreadsheet should track each product's capabilities relative to your unique requirements.

7. *Develop a Short List of Products.* Create a "short list" of software products - three to five - by answering questions such as:

- Does the company serve your specific trade and business size?
- Do they meet your technology requirements and present a professional image?

8. *Evaluate Short List Products.* Using the feature-by-feature scores and the weightings for each requirement, rule out any product that falls short of your most critical requirements. After prioritizing the others according to their performance across all of your criteria, select one that you feel is best, and one runner-up.

9. Check Customer References. Do your "due diligence" by checking the winning vendor's customer references. To offset "cherry picking" of their happiest customers, require at least three references and prepare a detailed list of questions that require specific answers.

10. Negotiate the Deal. In determining the final price, consider key areas such as: what type of license does the vendor offer; how is the software priced; and, what are the maintenance and support policies. As a rule of thumb, the larger the check you write, the more room for negotiation.

Software selection is not easy and should never be considered a second tier project. The right software, implemented properly, can have a very positive effect on your business. Follow these guidelines and you are on your way to IT project success.

Don Fornes is the president and founder of [Retail Software Advice](http://www.softwareadvice.com), a website dedicated to helping retailers research and select software applications. Email Don at don@softwareadvice.com or visit Retail Software Advice at <http://www.softwareadvice.com/retail>.

