Is your business software up to the job?

All successful companies will develop over a period of time, and will alter the way they operate as a result. These changes will often place different demands on its business software, and there comes a time when a company outgrows its existing business software, and if it is not changed or upgraded at that time, it will fail to give the business owners the information, accurately and in a timely manner, to allow them to run the business.

Why do companies stick with their existing software?

There are many reasons why a company would continue using software that is not adequate. Understanding why this has happened can help to identify what needs to be done within the company to help to address the issue of their inadequate software. Here are some of the more common reasons:

a.) Budgetary constraints

You will often find that where a company is aware of the problems they face, the reason for not making any changes is given as a shortage of cash. If a company believes that this is the real cause and not an excuse, they should identify what their budget is, and what the solutions that they have looked at are going to cost.

With a range of software available, and a large choice of ways to buy it, companies can get a lot more software for their budgets than used to be the case. In the current climate, all companies have a limited budget and it may not be possible to replace, upgrade or adapt the existing software. However, it is nearly always true that having the wrong software will cost more than getting the right software.

b.) A shortage of resource

If a company cannot devote sufficient time to the adoption of new or upgraded software then they should plan how to make that time available. Of all the reasons for not replacing, upgrading or adapting software this is the most common, and one of the main reasons why new software implementation fails. Although the company can subcontract resources to support the implementation process, they will need to have key members of staff involved in the project and fully committed to it.

c.) There was insufficient commitment from the top

Often companies hide behind budgetary constraints as a reason for not changing their software when, in fact, the real cause is actually insufficient commitment to the problem by those in a position to address the problem. This is often the owner of a business or Board of Directors and the project will never succeed without the buy-in from those at the top of the business. So a company should ensure that they cannot address the problems rather than not really wanting to.

d.) A lack of system knowledge

Often a company is unaware of the capabilities of their existing software. As such they may have adequate software, but they are not adequately trained, or the software is inadequately configured. Alternatively, the company may be unaware that a different software system would be a better fit for their needs.

e.) The Company hasn't got round to doing it

It may be known that the business software is not really up to the job, but it was decided that it was adequate as a temporary measure. The intention to review the business software at a later date was well meant but the actual review was never carried out. The company has now become used to the existing system working as it does, having originally accepted the limitations as a temporary measure. It now sees other projects as a higher priority as they can continue to "make do" with the software that they have.

f.) Communication breakdown

Often the people who are aware of the inadequacies in the business software, have failed to raise them with the people who have responsibility for the business software. So, although the information about the problem is known, it is not known by the person in a position to do something about. The root cause of this lack of clear communication is normally assumption, as those who know assume everybody else knows, and those who don't know assume they would be told if they needed to know.

g.) Contractual commitments to existing software suppliers

Sometimes a company is locked into software because of existing contractual commitments. Often the amount of money and effort invested in a solution is too high for the company to consider walking away from it and implementing an alternative solution. When a company decides to stay with an inadequate solution because of the contractual terms they have had imposed on them, they should recognise that they are in an unhealthy business relationship, and should take steps to be able to get out of that relationship as soon as is practical.

Here are seven signs to look out for that may suggest a company has outgrown its existing software.

1.) Duplicate entering of key information

This is one of the most common indicators that a business has out-grown its software. The more people that manually input the same data into a system, the greater the chance of error. In most integrated systems, all departments of a business use the same key data so any errors can be expensive, particularly if key business decisions are made incorrectly as a result.

2.) There is insufficient key business information

The most important reason to use business software is to make the information that the business needs, readily available to the people who need to use it. A clear sign that a company has inadequate software is when staff or management cannot readily obtain the information they need at the point they need it.

3.) Over-reliance on spreadsheets

Spreadsheets are a very powerful tool and with good Excel skills, a company can build powerful forecasts and models. They are a very important tool for planning and monitoring information. Excel will be able to link to live data in most business systems, and can substantially add to the usefulness of these systems. However, spreadsheets are a tool for easily manipulating data, and not for securely storing data, and when Excel is being used instead of the main business system, rather than together with it, this should be a warning that the business systems are inadequate.

4.) Changing processes to suit the software

Sometimes a company will find that their business software does not support running a process in the way they would like to and so they adopt a process that fits the software. This can be a sensible solution, or it can be detrimental to the company, depending on the nature of the process and the compromise being made.

5.) Bespoke in-house systems are used excessively

Where spreadsheets are not enough, a company might use an in-house system to fulfill its needs. There is nothing wrong with this and for many companies it is an excellent solution and may be the best approach. However, for most companies the on-going maintenance of this system is a burden that they would rather not bear.

It can leave a company exposed because there may only be one person who knows the system inside out, and if they leave, there can be a skills shortage that cannot be sourced externally. For popular business software there are usually companies who will develop bespoke "add-ons" that can provide additional features, tailored to the specific needs of the business.

6.) Gaps in software ability

Sometimes a company will be operating with business software that has no support for a process that they should be using. As there is no support for the process in the business software the company either uses no process at all, or, more frequently, adopts a process that completely bypasses the business software.

7.) Business information not produced in a timely manner

This would indicate that information is available within the business but that it takes too much time and effort to produce. This is not cost effective and the later information receipt is, the less useful it becomes. The danger then is that users put more systems in place to get the information quicker, which makes the whole system worse for everyone.

REMEMBER!!!

Although the benefits of upgrading or renewing a company's business software can be attractive, the commitment, both in terms of price and effort, of implementing another system are a significant barrier to adoption. Instead of implementing more appropriate software, companies will often use spreadsheets to provide the additional support they need.

Clearly this is not an ideal situation and although it may seem to be a very practical solution for the short term, it does not address the main issue of the company outgrowing its software. As no company has an unlimited budget there must always be a level of compromise in the adoption of any business software, but the longer it's left, the larger the issue becomes for a business.