

FIVE CHALLENGES TO SOFTWARE IMPLEMENTATION AND HOW TO AVOID THEM

AND REALIZE REAL ROI AS A RESULT

Implementing a new software solution carries with it a number of challenges. The process can be overwhelming, confusing and lengthy—all reasons that can cause companies to avoid making the switch at all. This leads to efficiency and profitability issues as companies continue doing business in a broken way. Additionally, when businesses take the plunge and embark on the software implementation process, inadequate planning and unrealistic expectations can set the project up for failure and costs can skyrocket as a result.

Knowing the common challenges implementation projects present can help organizations avoid them. With a solid project plan and realistic goals, even the most complex implementation can realize success and return on investment in a reasonable amount of time. In the end, the benefits gained from implementing a better solution far outweigh the potential hazards along the way.

Challenge No. 1: Length of time

The average length of a typical software implementation process varies widely. For a robust, integrated solution like an Enterprise Resource Planning (ERP) system, the average implementation can last from 11 to 18 months.¹ Database-centered ERPs often encompass financials, sales, service, customer relationship

¹Kimberling, Eric. (2010, March 9). One Key Reason Why 72% of ERP System Implementations Fail [blog post]. Retrieved from <http://panorama-consulting.com/one-key-reason-why-72-of-erp-system-implementations-fail/>.



SUMMARY:

Implementing new software is a challenging and highly involved process. Knowing these challenges and how to avoid them is necessary to successful implementation.



RESULT:

While there are many challenges along the way, companies who successfully implement new software can enjoy the benefits of reduced costs and more profit as a result of increased efficiency.

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The core functionality of WinTeam—like Payroll, Accounts Payable and Accounts Receivable—takes a minimum of 90 days and up to 6 months to implement appropriately.

management and human resources, among other areas, across an entire organization. These solutions, unlike simpler out-of-the-box software, require longer implementation periods due to the integration of information across the business.

At TEAM Software, the core financial, operations and workforce management solution, called WinTeam, plus its other supplementary products are similar to an ERP in that, all together, they contain an array of modules with fully integrated data from across your business. Financial and accounting, timekeeping and scheduling, human resources, payroll, inventory, compliance and equipment tracking, job costing and customer and employee self-service are just some of the functionality TEAM offers. Because of the robust integration, the core functionality of WinTeam – like Payroll, Accounts Payable and Accounts Receivable – takes a minimum of 90 days and up to 6 months to implement appropriately. Setting up the rest can take another few months on top of that.

“Many organizations will set overly optimistic go-live dates despite the realities and limitations of the actual project,” according to Rob Prinzo’s article from CIO², a technology and business leader resource.

For businesses considering TEAM Software, Tammy Hompesch, Payroll and Office Manager of Sunstates Security, recommends that future TEAM customers pay attention to the training and allow adequate time to learn the system’s intricacies.

“I would be sure to get all the training necessary upfront and understand how TEAM’s different programs roll into each other,” she says. “We have noticed over the years if we knew a little bit more back then we may have set things up differently. I would also try to give at least 4-6 months of lead time to implement the new software.”

Gurujohn Khalsa, Accounting Director of Akal Security, Inc. agrees: “The advice I would give to a new security company starting with WinTeam is to work very carefully with the experts at TEAM to understand what your initial

²Prinzo, Rob. (2011, June 6). Project Management: 6 Best Practices for Ensuring Software Implementation Success [on-line article]. Retrieved from http://www.cio.com/article/683570/Project_Management_6_Best_Practices_for_Ensuring_Software_Implementation_Success?page=2&taxonomyId=3198

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set up should be because the system is so integrated that it's very important to get all the pieces lined up correctly in the first place. It's all the details underneath that really make this system work best."

Diana Ramirez, owner of Defender Security, also recommends allowing adequate time to get your end-users up to speed. "Key players in your organization have to use this [system] every day. Allow some time for training."

Moreover, TEAM's Training and Implementation experts recommend that clients set realistic expectations from the start. Do not expect to be running your business through WinTeam in a couple of weeks. Because TEAM's products are fully integrated, setting up the foundation and getting accurate data in the right place the first time is of the utmost importance for your success down the road.

Challenge No. 2: Conducting business as usual while learning, training and migrating to a new system

Compounding the issues that go along with a lengthy implementation process is the fact that the company still has to conduct business as usual on a daily basis. Often due to a lack of funding, a lack of staff resources, or both, employees are asked to tend to the tasks of their core job and contribute to the software project. This practice can be detrimental to the effort, causing the implementation period to go on longer than initially planned. In fact, research indicates that over 35% of ERP implementations take longer than expected³.

"The hardest part of transitioning software solutions was the time it took to migrate the data and still keep running as a business," says Maria Jones, Office Manager of Southwest Cleaning, another TEAM Software customer.

Sara Suing, TEAM's Training and Implementation department manager, emphasizes the importance of designating a project lead for your implementation effort, ideally someone with a broad knowledge of your

Designating a project lead for your implementation effort can help keep the project on track and on budget.

³Panorama Consulting Solutions. (2011). Ten Tips for a Successful ERP Implementation [white paper]. Retrieved from <http://panorama-consulting.com/Documents/Ten-Tips-for-a-Successful-ERP-Implementation.pdf>

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Each new TEAM client remains with the same trainer throughout the process for consistency and a deeper knowledge of the client's business and challenges. As implementation progresses, the trainer and the client discuss and modify upcoming milestones to stay on track and address any issues.

organization. The project lead should be someone with the authority and ability to make business decisions along the way in order to keep the process moving. A failure to progress on the project is guaranteed to lengthen your implementation time – and increase costs.

Challenge No. 3: Inconsistent or inadequate training

Lack of a detailed, comprehensive training methodology can be a major setback for any software implementation project. Implementation can go awry or even stall altogether if clear goals and timelines are not laid out from the beginning. It is important to set up a plan that makes sense for your needs and resources and to ensure agreed-upon milestones are met along the way.

“Monitoring should be integrated into all stages of the implementation project,” according to a post on implementation best practices on The TEC Blog.⁴ “As the implementation progresses, a careful audit of each milestone will help you ensure that the service provider is providing all of the products and services specified in the contract, and the internal implementation team is performing as it should.”

Prinzo in his project management article⁵ concurs: “You must monitor project progress throughout the implementation and start discussions regarding key project dates early in the project's lifecycle to avoid downstream impacts.”

TEAM Software has spent nearly two decades developing and refining the implementation process for new clients. Each client is unique and has a specific set of needs, so every implementation process is tailored to meet the client's goals with a customized and detailed project plan complete with tasks, assignments and due dates.

⁴Fox, Sherry. (2010, August 24). 5 Best Practices for Ensuring a Smooth Software Implementation [blog post]. Retrieved from <http://blog.technologyevaluation.com/blog/2010/08/24/5-best-practices-for-ensuring-a-smooth-software-implementation/>

⁵Prinzo, Rob. (2011, June 6). Project Management: 6 Best Practices for Ensuring Software Implementation Success [on-line article]. Retrieved from http://www.cio.com/article/683570/Project_Management_6_Best_Practices_for_Ensuring_Software_Implementation_Success?page=2&taxonomyId=3198

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“You’re never alone in this process, and we don’t overwhelm you,” says Jill Davie, Senior Vice President of Client Experience at TEAM. “We give you small bits of information and focused tasks to complete to give you time to absorb what you’re learning and the ability to build on what you have completed.”

In addition, each client remains with the same trainer throughout the process for consistency and a deeper knowledge of the client’s business and challenges. As implementation progresses, the trainer and the client discuss and modify upcoming milestones to stay on track and address any issues.

“[TEAM is] very hands on,” noted TEAM customer Mike Reschke, CFO of RBM Services. “It’s easy to call and talk to a real person. Many of these people we’ve met at a conference or training before, so they’re familiar with us as a company and we’re familiar with them. They take a real interest in us as a company and they want us to be successful. They take very good care of us.”

“To me out of all of the other programs I’ve used, this one overall has been the best as far as the training, which was very thorough,” says Jones of Southwest Cleaning. “The support is definitely way better than before [with other products I’ve used]. Once everything launched, it worked. Even though it was 10 times more work than any other rollout, but by the time we went live, it was a much smoother process.”

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Challenge No. 4: Time-consuming data entry

Arguably, the most time-consuming part of any software implementation is the migration of data from the legacy system to the new solution. Unfortunately, it’s a necessary part of the process, so finding ways to make it easier and more accurate can keep your implementation timeline on track and minimize data errors and issues at go-live. Moreover, focusing on this part early in the process can help with training efforts and reduce risk. According to advice in an article from Sanitary Maintenance, converting the data ahead of time can ease the training process because end-users are using familiar data during the testing phase.⁶

⁶Potter, Steven. (2008, October 1). Upgrading Distribution Software. *Sanitary Maintenance*. Retrieved from <http://www.cleanlink.com/sm/article/Upgrading-Distribution-Software--9874>.

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Take advantage of data import services to reduce the amount of time spent on data entry during the implementation process.

Research from Panorama Consulting supports this as well: “Focus on data migration early in the process. Data migration is incredibly complex, entails a certain level of business and technical risk, and is affected by the number of sites that a company is going live with, how many legacy systems are being replaced, and how many users are involved.”⁷

TEAM Software offers data import services to complement the implementation process and reduce the time spent on data entry. Clients’ new databases can be populated with basic information from the legacy system including employee, customer, job, vendor and inventory information. While many clients do take advantage of TEAM’s import services, some choose to migrate the data manually.

“We migrated the data ourselves rather than have TEAM do it because we knew the culture and how everything is supposed to look. We knew the logic behind it,” says Jones of Southwest Cleaning.

Either method gets the job done, however, if you plan to migrate the data manually, be sure to adequately plan for the time it will take to do so in your project timeline. Again, realistic expectations and a clear understanding of business requirements prior to implementation will save time in the long run.

Challenge No. 5: Lack of support beyond the implementation phase

When researching software solutions, it’s smart to consider how the vendor will continue to support you once your go-live date has come and gone. Chances are, even with the most successful of implementations, end-users will run into some kind of roadblock during daily operations. The resources and service after the sale provided by your software vendor can be the defining factor in your company’s ability to realize a solid return on investment after a software implementation.

According to a company executive from Activant (now Epicor), when selecting software, companies should also look at the business behind the software product and consider the implementation program and long-term support

⁷Panorama Consulting Solutions. (2011). Ten Tips for a Successful ERP Implementation [white paper]. Retrieved from <http://panorama-consulting.com/Documents/Ten-Tips-for-a-Successful-ERP-Implementation.pdf>

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options as factors in the decision.⁸

Consider whether your software provider has a support department or help desk. Is there ongoing education, like webinars, on-line product documentation or new feature training sessions? Think about how you would train a new hire on the system or brush up on skills in a certain area. Does your provider offer resources to help you do that?

Having imbedded itself in the building service and security industries in order to understand clients' businesses and challenges, TEAM Software views itself as more than a software vendor and strives to be a technology partner for its clients. TEAM's customer support department features telephone and e-mail support during the business day with after hours and weekend support available as well. In addition, TEAM offers an extensive selection of on-line product documentation including user guides, help files and video clips. Not to mention, the Training and Implementation department offers new feature webinars corresponding to major product releases and regional training workshops. Finally, TEAM hosts an annual Client Conference to provide ongoing training, industry-specific discussions and customer networking opportunities.

"I think we made a very smart decision when we moved to TEAM and I am glad that we did," says Hompesch of Sun States. "It is a very smart software system, and it is great that TEAM is always making upgrades and thinking towards the future to implement new products."

"When we call, Support is always there," Ramirez of Defender Security added. "When you have good people, it's so much easier."

What about the ROI?

Realizing the real return on investment following new software implementation takes time. You may not recoup the costs of the implementation immediately, however. In fact, according to the 2012 ERP Report from Panorama Consulting, 71 percent of companies implementing ERP software recouped the costs of the project, and most realized this

Make sure your software vendor has resources in place to help you with unforeseen challenges even after the implementation process is over.

⁸Potter, Steven. (2008, October 1). Upgrading Distribution Software. *Sanitary Maintenance*. Retrieved from <http://www.cleanlink.com/sm/article/Upgrading-Distribution-Software--9874>.

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Although the ROI may not be apparent right away, if you're leveraging your solution to its fullest potential, you will profit from efficiency.

return on investment within one year.⁹

From reduced paper costs and processing and lead times, to decreased personnel needs, to detailed budgeting and job-costing tools, recovering the cost of implementing software can happen in a number of ways. Although the ROI may not be apparent right away, if you're leveraging your solution to its fullest potential, you will profit from efficiency, as many TEAM customers can attest.

"It (the initial investment) has paid for itself many times over," noted Reschke of RBM Services. "When we were looking at WinTeam, obviously we'd looked at the cost, but then we started adding up the costs of everything we were doing in the broken way we were doing it, and we realized we will be paying this money to TEAM, but in the long run we'd be saving quite a bit.

"It's positioned us for growth, too," Reschke continued. "It's a system that's integrated and it puts us in a good spot for growing without having to change or add a lot of personnel."

Diana Ramirez of Defender Security noted that they were able to maximize their resources because the system is so efficient. "I have to say, the processes are quicker which means my staff isn't tied up as much, which affects the bottom line. That's a big plus."

Tammy Hompesch of Sun States Security says that WinTeam has cut her payroll processing time in half. By eliminating paper checks and using direct deposit plus WinTeam's PDF pay stub functionality, Hompesch estimates Sun States saves about \$10,000 a year in postage alone.

Maria Jones of Southwest Cleaning reported similar benefits, noting she uses almost 75% less paper per employee per payroll period. "For me, the payroll process is so much easier than it was prior, because of how our timekeeping and everything is connected to do payroll. It takes me half the time than it used to with three systems."

In addition to reduced processing times and expenditures, clients have also realized savings by having access to thorough financial details, a benefit of WinTeam's fully integrated business information. By seeing exactly where

⁹Panorama Consulting Services. (2012). 2012 ERP Report. Retrieved from <http://panorama-consulting.com/Documents/2012-ERP-Report.pdf>.

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every dollar is spent or saved, clients gain unsurpassed control of their budgets.

“For us [at Southwest Cleaning], the biggest impact the software has had is our ability to really manage our job costing. That’s huge. That’s the big reason why our owner wanted it, and we can all see the benefits of it. We can narrow down where our money is going,” says Jones.

In addition to cost savings, Sam Ciacco, Vice President of Finance for Securiguard Services, Ltd., has observed quicker turnaround time on the accounts receivable side as well.

“We definitely offer a competitive advantage to our customers because of WinTeam,” says Ciacco. “One of the main problems in our industry is the accuracy and timeliness of data sent to customers, like invoices or reports. This system -- the way it’s designed and the way it’s utilized-- speeds up that process and makes it more accurate, so much so that our clients actually call us to thank us on how well and how quickly we can provide them with information, which then translates into quicker payment to us.”



ABOUT TEAM SOFTWARE, INC.

TEAM Software, Inc. has been a leading provider of software solutions and associated services for the building service and security industries for more than two decades. Based in Omaha, NE, TEAM offers a host of fully integrated solutions from operations, financial and workforce management to employee and customer self-service to time and attendance products designed to help customers profit from efficiency. TEAM is proud to be an employee-owned company since 2007. Because each employee has a stake in the company, TEAM’s staff is extremely motivated to make customer service its top priority, always. Each month, employee owners come together to discuss company strategy and review goals and key performance metrics.

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