SOFTWARE SELECTION GUIDE
How to Find the Right Software for Your Organization

CAPTERRA

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Introduction

You need software.

You know that much or you wouldn't be reading this guide. Congratulations on getting this far!

Now comes the hard part. Now you have to actually go out and find the software, and not just any software, but the *right* software.

The kind of software that will be the perfect fit for your organization, that will automate all those tasks you hate doing, save you hundreds of man-hours and thousands of dollars and make all of your customers happy. It will be to your organization what Batman's utility belt is to him: indispensable.

Oh, and it has to come in under budget too.

We know trying to find that perfect piece of software can be daunting, so we're here to help. Or, more specifically, this guide is. And this guide isn't just about how to make sure you get the right software for you. Oh no, it's much more than that.

Because even if you do manage to find the software that is just right, there are still plenty of pitfalls you'll need to avoid.

Implementation may take longer than expected. Costs may be higher than anticipated. Employees may be unhappy with the usability of the solution. Your boss may prefer Spiderman's web to Batman's belt. And, in some cases, a company may simply settle for the easiest choice without doing the necessary research to find the best solution.

But that won't happen to you, because now you've got this guide.

The purpose of this Software Selection Guide is to help you along the path to finding the right software and managing a successful software implementation. If you are in the market for software, the next 15 minutes of reading will prepare you for the weeks it may take to decide upon the right solution, and the years of benefit you will get from your purchase.

This guide will walk you through the key steps to buying software; with links to resources and tools you can use to ensure you make a good purchase decision for your organization (all of the tools, like this guide, are 100% free).

In the next few pages we will explore the 3 key stages to finding and buying software:

1. Define Your Needs
2. Determine Your Options
3. Select Your Software

Let's dive in!

Define Your Needs

So you say you need software, but do you *know* why?

We mean, really know.

For example, do your reasons for needing software sound like *this*?

"We need it so we can automate our superhero cape delivery business."

Or like this?

"We need it to store our superhero cape invoices and customer records on a central database that can be accessed by 3 different users on site and via their mobile devices."

Hint: You want your reasons to sound a lot more like the second example.

Defining your needs is probably the most important step in the entire software selection process.

Luckily, it's easy to get right, and spending a couple minutes on it now can prevent migraine-sized headaches down the road.

Business Goals

The first step toward defining your needs is to figure out your business goals.

Take 5 minutes and write out a list of the main reasons you need software, and the corresponding end goals you have in mind. If you're truly focused in your goals, you should have fewer than 10 reasons. For example, a good business goals statement for a small superhero cape delivery business might read like this:

Reason for the software End business goal
We need Superhero Cape Management software because we lose cape pur-chase records with our current paper filing system.

End business goal
Be able to easily access cape purchase records stored on a central system where they can't be lost.

Include all stakeholders when discussing requirements – end users, executives and appropriate finance and IT personnel. Make sure you talk with them about:

• **Learning curve** - Can you pick up and figure out the software within a day or so?

• **Growth potential** - How well will the software will match your future needs if you plan to expand your current employee and revenue levels?

• **Integration** - Does the software need to integrate with other software that you are currently using?

• **Current business processes** - Are you buying software to fix a broken business process? Software can't do this. Make sure to optimize your business processes *before* buying software.

Web-based or Installed?
To determine if you need a web-based or installed (on premise) software solution, answer the below 4 questions.
If you answer "yes" to 3 or more, an installed solution may be the one for you.
Otherwise consider web-based or SaaS (Software as a Service) options.

• Do you have a dedicated, in house IT Dept?

• Are there numerous customizations/unique requirements for your business?
(Tip: we recommend fewer customizations and more configurations)

• Do you have control, access, or security constraints?

• Do you need to integrate with several other systems?

Requirements List

Requirements are the things that connect your reasons for needing software to your end business goals.

You can determine and prioritize specific requirements by looking at the list of reasons and goals that you've already made. For instance, is one of your end business goals to be able to access records even when you're away from your desk? Write down "mobile access" as one of your requirements.

TIP

Get an idea of what software features may be available for your type of software by going to the Capterra category and scrolling through the list within the filtering tool on the top. Remember, just because a feature sounds like it would be cool to have, don't include it unless you absolutely need it.

Learning Management System Software Tools

It helps to be as specific as possible in this stage. For example, if one of your requirements is "reporting," be clear as to exactly what information you need to appear in your reports. Write these requirements down next to your corresponding reason and goal.

By now you may be tempted to think, "I know why I need the software; I don't need to write all this stuff out!"

We know; it can seem unnecessary.

But trust us, writing down your reasons, goals and requirements means taking the time to think about them. This is an incredibly important part of selecting the software that really is the best fit for you and will save you tons of time and frustration down the line.

Critical Steps:

1. Lay out a quick Goals and Requirements Sheet

2. Take 5 minutes to write out the top reasons and goals for having the software; be specific!

3. Add specific requirements to this sheet, matching them up with your goals

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Determine your Options

Now, armed with a list of goals and requirements you are ready to start looking for software!

Create Your Long List

Before getting to your short list, you need to make a long list.

This involves creating an exhaustive list of all the software solutions that seem to meet your needs. With the number and variety of solutions available on the market, you want to be as inclusive as possible in the early stages of the selection process. This decreases the likelihood that you will miss a product that is a good fit for your needs.

Another benefit of developing a long list is to instill confidence in your team members who will often ask later on "did you consider 'X'?" If you develop a great long list, then you *will* have considered 'X'.

This is a pretty straightforward step, but it can also be a time-consuming one.

There are tons of online resources with lists of software products in your industry, not to mention software vendors' own websites and the many forums and blogs where people talk about software. If you're not careful, you could spend hours scouring the web and still not have a good idea of all the potential offerings that address your needs.

We recommend using a comprehensive website (like www.capterra.com) to put together your long list. Do an internet search for "your industry/business + software directory" to bring up a good list of places to start.

Compile a list of all the solutions that look like they may be a good fit in a spreadsheet. Don't worry if they're not a perfect fit, we'll sort that out later.

Your spreadsheet should list your must-have features, and have places to check off whether or how much a specific solution meets your needs. You'll want to structure it so you can compare the different solutions based on features, price and support.

	A	B	C	D	E	F	G	H	I
1	Name of software	Requirement 1	Requirement 2	Requirement 3	Requirement 4	Requirement 5	Support	Price	Total Score
2	Software A	8/10	5/10	9/10	7/10	6/10	Yes	Medium	50
3	Software B	6/10	6/10	7/10	8/10	3/10	No	Low	40
4	Software C	8/10	7/10	9/10	6/10	8/10	Yes	High	48
5									

Cut Your Long List Down to a Short List

After creating a list of all potential solutions, you need to figure out the best way to compare those solutions so you can narrow them down.

It's probably easiest to use the spreadsheet you created above to do an initial culling of products that don't meet your needs. Knock off all but the top 15.

The next step is to take this list of 15 solutions and pare them down to the top 3-8 products for your shortlist.

In addition to their score in your spreadsheet, here are 10 questions to help you narrow down your options (ordered from most important to least).

The Top 10 Critical Questions:

1. Does the solution satisfy your most important requirements?

2. Does the vendor offer excellent support and speedy service?

3. How user-friendly is the solution?

4. How compelling are the vendor's testimonials/reviews?

5. How easy/complex is the implementation?

6. Does the solution require changes to your business processes?

7. Does the vendor have customers similar to you?

8. How customizable is the solution?

9. How innovative is the solution, compared to others on the market?

10. Does the solution satisfy some of your less important, "nice to have" requirements?

Much of this information can be gathered online via the vendors' websites, or via reviews on places like Capterra or Amazon. Because this can take some time, however, give the vendors themselves a call if you have a specific question about their software and its features.

Once you have answered the above questions, you should find that most of the solutions on your initial long list can be removed. The resulting short list should include between 3 and 8 solutions.

If your list falls outside of this range, you'll want to revisit some of the vendors that you included or excluded.

Critical Steps:

1. Create long list by searching comprehensive online software directories.

2. Add long list vendors to a spreadsheet with your must-have features marked off.

3. Score each solution in the long list based on features, price and support.

4. Eliminate all but the top 15 from your long list.

5. Look at these top 15 in a little more detail and eliminate more solutions based on the 10 Critical Questions and vendor conversations

Step 3

Select Your Software

Now it's time for the scary stuff. This is the point in the process where heroes are made.

Are you ready to don your cape and become a Software Superhero? Let's get to it.

This final step involves 3 stages.

• Get references from the vendors on your shortlist; grill them with questions.

• Do software demonstrations/trials with the top 3 vendors on your list.

• Negotiate the best deal with the final, winning vendor.

We'll take them one at a time.

Talk to References

When asking a prospective software provider for references, stipulate that they should be as similar to your company as possible. You'll want to speak to companies that are:

1. In your industry

2. Of similar size to your company

3. With similar business requirements

4. Located geographically near your company

5. Who have worked with the software for at least a year

References from current customers that have needs similar to yours can help tremendously. Try to talk to at least 2-3 references to get a good range of answers to your questions.

The 6 top questions to ask references are:

1. What was the true cost of the software (including upkeep and maintenance)?

2. What's the quality of the support you receive from the vendor?

3. Have you experienced any bugs or problems with the software?

4. How, specifically, has the solution cut costs or improved efficiency (or has it)?

5. What does your company receive from the vendor in return for being a reference (i.e. what is your relationship to the vendor)?

6. What would you have done differently when selecting/implementing this software?

Do 3 Demos or Trials

Software demonstrations are one of the key components to evaluating whether the software fulfills the requirements you have and if the vendor will be accommodating to your needs.

To get the most out of a live software demonstration, make sure to follow these 5 tips:

1. **Include end users in each demo** - They will have specific questions about their work and how the software affects it.

2. **Write down a process script** - Make sure you know what you want the vendor to cover before the demo occurs.

3. **Create detailed scorecards** - This is extremely important, as it will allow you to objectively compare different vendors. Include Picture3

4. **Debrief after the demo** - So you keep what you learned fresh in your mind.

5. **Don't do more than 3-5 demos** - Otherwise, they will blend together.

Treat a free trial similarly. After downloading or signing up for it, spend no more than 2 hours testing it out.

While testing a free trial, make sure you have a copy of your requirements list close at hand, with space next to each for you to write notes and enter a score.

Additional Factors to Consider before Buying

Service levels: Are there different kinds of service? How much does each offering cost?

Training materials: Check to see if the vendor offers free training, and if they have a forum or online manuals to help train on the software.

Responsiveness: How fast did the vendor respond to your calls or emails?

Updates: Ask how software updates are handled and if there are any scheduled for the near future.

Pricing: Evaluate the full cost of the solution based upon the negotiated license, support, maintenance and upgrade fees as well required hardware, implementation and training.

Negotiate Best Deal

You've done the homework, viewed the demos and narrowed down your options to one final vendor.

Great!

Make sure you don't trip at the finish line by failing to get the best deal you can for your software purchase.

Remember, you can negotiate just about *everything*. Price, number of licenses, implementation process & price, duration, terms of payment, annual maintenance fees and anything else you've been presented with in the vendor's contract.

Tip

Often a software vendor will have one thing that is non-negotiable—something that their numbers and success metrics are based off of. Identify this early in the process and then negotiate around it. Try asking the sales person how the company measures their success, for instance.

Failing to do this, especially on larger enterprise purchases, can leave you with buyer's remorse.

A final factor worth considering before making the purchase is how helpful and proactive the vendor has been during the sales process. This is often an indication of how easy they will be to work with once you are a customer. In many respects, your relationship with the vendor will be a partnership, and you will want to find out what sort of partner they will be.

Critical Steps:

1. Talk to 2-3 references for each vendor on your shortlist. Have a good list of questions to ask them.

2. Schedule 3 demos or trials with vendors on your shortlist. Make sure to have scorecards made beforehand.

3. Using demo/trial data, reference responses, and the feature/price/support data you collected in your long list spreadsheet, eliminate all but one vendor.

4. Negotiate with your final vendor to get the best price for the software.

Software Buying Checklist

- ✓ Articulate what you need the software to do.

- ✓ Ensure these needs are aligned with your business goals.

- ✓ Determine and prioritize software requirements.

- ✓ Identify all potential software solutions.

- ✓ Match each solution with requirements and remove those that do not match.

- ✓ Narrow the list of solutions to a short list of alternatives.

- ✓ Contact each vendor.

- ✓ Speak with references.

- ✓ View product demonstrations/trials with input from end users.

- ✓ Negotiate terms of contract.

- ✓ Make final purchase decision.

Concluding Thoughts

Every organization has different software needs. Therefore, simply selecting the "market leader" will often result in a less than ideal solution. Because the search for software requires valuable time, it is tempting to cheat the process and take shortcuts.

Unfortunately, this can come back to haunt you. Be patient, include all stakeholders, manage their expectations and consider all of your options, and your software purchase decision will be a smart one.

(You may even get to wear a mask and cape while gazing heroically into the distance)

How Capterra Helps

We will help you become a Software Superhero.

Capterra maintains the largest available database of business software solutions and helps you to quickly identify all of your software options and narrow them down to a short list of several viable alternatives. This would normally take days or weeks, but with Capterra this can be accomplished in hours, or even minutes.

To get started, visit our homepage at www.capterra.com and choose the most appropriate category for your needs. Once you select a category, be sure to use the filtering tool on the top in order to narrow your choices to a more manageable list. You can also compare up to 4 products at a time side-by-side.

If you ever get stuck, feel free to submit your software needs to us directly and we'll have the software companies who are the best fit contact YOU.

Good luck!

Additional Resources

Capterra's Expert Article Library
http://www.capterra.com/articles

Capterra's Blog
http://www.capterra.com/blog

Capterra's Small Business Software Page
http://www.capterra.com/small-business-software

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Thank you!

This guide is for small-midsize firms, large multinationals, mom-and-pops, start-ups, non-profits, for-profits, churches, doctors' offices, salons, circuses, government agencies, associations, schools, laboratories, universities, sole proprietors, contractors, zoos, political campaigns, farmers and any other type of organization.