



Ten Secrets of Successful Software Implementations

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I'm embarrassed to say I've been selecting and implementing enterprise software for almost 20 years. It's not that it's a bad job; it's just not the sort of thing I aspired to back in elementary school. But, the eight-year-old me had no way of knowing that the rate of change in the technology world would never disappoint, that it would constantly challenge me, and draw me deep into the evolving world of efficiency, automation and analytics. I've learned many tricks to make implementations successful – some the easy way, some the other way – and I want to share 10 that I hope will be helpful to others engaged in enterprise software implementations.

1. Be Clear About the Outcome

When starting an implementation, take time to clarify the project's goals, share them with the project team and stakeholders. Clearly stated outcomes will focus the team and be a critical measure of success after the system goes live. There are two components of a successfully stated outcome: Return-on-Investment (ROI) and Audience.

First, document your targeted ROI. Meet with Finance and determine together how ROI will be measured before you begin. This shared approach will be valuable in guiding your work and in avoiding disagreements on ROI calculations later. Revisit the ROI criteria regularly throughout the implementation to be certain the objectives are reached. When the implementation is over, at the end of the time period for the projected ROI, report back to the company on the results. When decision-makers see accountability for investments, they will be much more likely to invest again. If the project falls short of the projected returns in some area, honest communication with decision-makers will help clear project obstacles and earn respect for plans to reach a delayed ROI.

Second, engage your non-finance audiences with a clear understanding of the returns they'll see by creating a compelling vision of what life will be like after the system is in place. For example, if implementing an integrated talent management suite, what three to five things will employees

be able to do that they cannot do now? Specifically, how will managers' jobs be easier? A compelling vision will give affected audiences their own personal reasons to push through the roadblocks and change required to be successful.

2. Secure a Committed Executive Sponsor

Find a committed executive sponsor for the project, and work hard to make them a successful owner of the implementation. There are a handful of concepts that will help make the project and your sponsor succeed.

First, define the "ARCIE" decision rights model: who will (A)pprove decisions, make (R)ecommendations, be (C)onsulted, (I)mplement the decisions, (E)xecute the tasks. Share this with all involved parties when the project starts. Refer to it when differences of opinion arise during the project to quickly get the teams unstuck and moving forward again.

Second, hold regular meetings with the executive sponsor and keep her informed on progress, but more importantly, risks. Executive sponsors don't like to be surprised. (If you question this, try it, and then study the reaction carefully.) If a potential issue is brewing, arm her with the information she'll need to respond to it when she's confronted in a meeting or stopped in the hallway.

Third, document key business decisions. One of the greatest project derailleurs is a business decision changed late in a project. When key business decisions are made, significant work and resources are invested to carry out the decision. If this work must be undone later, the business loses a significant investment, costs exceed budgets, and project deadlines are jeopardized or delayed. Create a single document to identify and record all key business decisions. This document should be made visible to the project team and business owners, so it can serve as a handy reminder of past decisions, as well as a timetable for decision-makers in planning their work.

3. Don't Go It Alone

An HR department alone does not contain all the resources needed to successfully execute a project. Pockets of deep expertise are at HR's fingertips in many other company departments. Approach these teams and ask for their assistance. These requests will not only help secure the resources needed for success, they will also help overcome any internal political reservations as the implementation progresses. Consider the following eight resource pools.

- Communications teams can help design and execute a project communications plan. The communication plan will identify key audiences and can manage communication with those audiences throughout the project, allowing HR resources to focus primarily on the implementation plan. An effective communication plan lets everyone know what to expect, when to expect it, and why it's being done.
- Information Technology (IT) teams are responsible for many components of technology including strategy, standards, and making everything work. Approach IT

early in the selection process and ask them to assist in a technical review of potential vendors, and to identify the timeline for tasks that will require their resources. The expertise in a company's IT department can help identify and quickly resolve the inevitable technical hurdles that arise during an implementation.

- Secure the help of a finance analyst and a partner in Finance who can assist with budgeting and resource management during the course of the project. If any obstacles are encountered, having Finance involved and aware of the project will help you quickly secure the support needed.
- Project management resources can help set up a governance structure for the project, track project tasks, help coordinate with other departments, and otherwise free up human resources information systems (HRIS) resources to focus on the implementation.
- A Supply Chain department can help you find vendors, manage requests for proposal (RFPs), coordinate vendor demonstrations or site visits with a prospective vendor's customers. As a neutral party, Supply Chain can help HRIS teams and business owners get past any biases in the selection process. And, Supply Chain's familiarity with many different company contracts will strengthen your company's presence during contract negotiations.

4. Consider the Aftermath

The selection and implementation of a major software solution is so time-consuming that we sometimes do not take time to consider what will happen after the new system is live. (A part of us may secretly hope we can suddenly retire before that day comes.) But, thinking through this question will help your post-implementation success. If you plan to manage the system with in-house resources, you'll want to budget a little extra time for implementation so that staff members have time to learn the skills they'll need to configure and maintain the system post-implementation. This small amount of extra time will potentially pay you big dividends in reduced professional service fees down the road. If you plan to budget for more professional services to be provided by the vendor, ask the vendor's other customers how much they typically incur in professional service fees. Although many software providers are evolving their systems to enable business users to configure them, there are still some holdouts that rely on high professional service fees and income. Know what your plan is as you begin your implementation.

5. Build a Strong Partnership with the Supplier

The "honeymoon period" of a vendor relationship is a blissful time when you have access to many resources in seemingly every department of the vendor's company. Product managers seek your opinion, executives join you on calls, and perhaps even the CEO or owner will pay you a visit, assuming your company is larger than theirs. But then you sign the contract, the honeymoon is over, and it's down to business.

So start thinking of your value to the vendor beyond the licensing fee you pay. Look for opportunities to become visible in your industry. Speak at conferences, write articles, volunteer in professional associations. As you do, peers can

tap you for advice, and your vendors will see the value you bring as a potential reference – both informally and formally.

Look for opportunities to assist the vendor in designing new product features. Best-practice vendors will have established product design opportunities for their customers. Participate and bring your best ideas. Let the vendor know what is going on, not just in your company, but in your industry. Consider the vendor's point of view: They are trying to build software in a very competitive market and want to see solid business cases behind your enhancement requests.

6. Challenge Conversions

One of the most difficult questions early in an implementation is whether you should convert the old data from your former system into the new software. This can become very expensive, so before you let the past dictate the future, articulate the primary business reasons for accessing old data, then decide whether to take on the additional cost of converting old data. The reasons are usually three.

The first is historical data for trending analytics. If this is the case, consider placing the historical data into a data warehouse or other database where it can be easily accessed for reporting. Because this historical database will not have to meet all the demands of the new production system, you can design it any way you like, with only one set of reporting or analytical requirements in mind.

Second, you may need to access the old data for audit purposes. If this is the case, consider how and how often auditors will access this data. If infrequent, export the data into a simple standalone database where analysts can access it if requested. If the need is more frequent, build some self-service reports over this simple database and give auditors access to run the reports themselves.

Third, you may need to make historical data visible to end users. (You'll begin to see a pattern in the least-cost alternatives being mentioned here.) Place the historical data in a simple database and build reports over it. Consider that the historical data will be accessed less and less each year as time goes on. Is the inconvenience of pulling up a report in a separate system less than the inconvenience of trying to drag a mountain of historical data into a foreign system, and then maintain it for years as the new system evolves and changes?

Fourth, you may only need to access some of the historical data within the new system. Carefully examine the use cases where customers will be accessing historical information. Could the need be solved by only bringing a small amount of the historical data into the new system (and sending the bulk of it to another database?) The small historical data set may only be a year's worth of data, or it may be just a few select fields.

7. Challenge Business Processes

Your current business practices are a lot like bad habits – they're really, really hard to give up. Invariably you will find that the new system does not do things the same way your old one did. At this point, your customers will often want to build a customization in the new system to make it like the old one. (This madness really does happen.)

Customizations are an attractive short-term solution because they minimize the organization's change management

challenge. However, in the long-term, customizations will become increasingly expensive to maintain and will often prevent you from upgrading.

What to do? Challenge business practices. Ask the project's executive sponsor to invite the teams to challenge the old ways of thinking. This will help break down barriers to change. Then, try some of the following methods:

- Instead of starting with the old workflow, try describing the actual outcome needed, and then list only the critical requirements to make that happen. Next, design the simplest workflow possible to reach that outcome.
- Call some of the vendor's other customers and ask how they perform the same function. This often results in the discovery of some very simple solutions.
- Contact the product manager and ask them why they designed the product the way they did. Explain your business challenge and they may even be able to tell you about some lesser known features that will solve the problem.

8. Big Bang versus Phased

As software matures, it becomes more integrated with other systems, and as users grow more computer-literate over time, more and more of software implementations are rolled out in "big bang" releases. Big bang refers to a release where an entire company begins using the software all at once. The opposite of big bang is a phased release, where new software is made available to the company a group at a time over an extended period of time.

Phased releases are typically favored when there is significant risk of failure in some portion of the technology, or when the implementation team expects to pilot or test the software and make corrections before releasing it to further audiences. The disadvantages of phased releases are a delay in realizing the project's return-on-investment, the additional expense of maintaining the legacy system during implementation of the new one, and potential change management resistance as users on the new system share any initial frustrations with future users.

Big bang releases allow companies to reach ROI more quickly. Such releases also benefit from economies of scale as communication and change management efforts are leveraged enterprise-wide.

9. Reduce the Cost of Ownership

In choosing an implementation strategy, we have many more choices than we did just a few years ago, such as the following:

- Integrated versus point solutions. There has been considerable consolidation in the enterprise software industry over the past few years, and as a result, HR is having to spend less time and money managing point solutions (a separate best solution for each disparate HR business function). Although point solutions can match business requirements closely, your staff will spend significant resources managing each vendor's product release schedule, troubleshooting data feeds between each of the systems, and employees will have to learn to navigate several different systems – and they don't like that.

Integrated solutions are maturing and relieve the HR

teams of all the inter-system management overhead. Human Resources staff can now focus on higher value activities. The downside to an integrated system is that you may miss a few "bells and whistles" offered by various vendors. However, the rate of evolution in product feature sets has slowed noticeably. Human Resources software has matured and become more commoditized. The strategic differentiators moving forward are less about unique features, and more about deeper integration and embedding prescriptive analytics.

- Cloud services are also a compelling option to reduce long-term costs. (Speaking of cloud services and Software-as-a-Service combined). The full benefits of cloud hosting go beyond a simple cost comparison. In a cloud, when something goes wrong, you call the vendor and leverage their 24/7 resources. You also benefit from a large customer base that is testing the same releases as you. This leads to less buggy software and less time-consuming upgrades.

10. The Phase 2 Enhancement List

This last tip is a great way to balance your internal customers' feedback, expectations, frustrations, and balance them with the limited pool of resources at your disposal. There is no shortage of good ideas, and nothing brings them out of the woodwork more than a new software system.

When customers call in with a complaint, suggestion or problem, log it in an "enhancement list." This is a simple spreadsheet that records the request, the requestor, when it was requested, and the type of request (bug or enhancement). Recording the request will let the customer know that the request has been received and will not be lost. Let them know that it will be brought as a recommendation for a decision-making group's prioritization.

The decision-making group usually consists of business leaders and key customers. Before you present the enhancement list to them for prioritization, go through each item and estimate the amount of time it will take to complete. Then, explain to the group that you have X number of hours available to address items on the list, and ask them to choose the items that they want done first, adding up the time required for each so that it does not exceed available resources. This is a great way to involve your stakeholders and keep them informed.

There they are – 10 tips for successful software implementations. I hope some of these will help you avoid the lessons I learned the hard way. And, if you happen to run into eight-year-old me, give him a copy of this list and tell him it will save him a lot of trouble one day.

About the Author



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