2

Planning

In the Planning phase of the technology acquisition, you determine the answers to the following questions:

- How will you research, evaluate, and negotiate with vendors?
- How will you implement and operate your solution?
- Who will be responsible for each activity?
- When must these activities occur in order to meet the project time objectives?
- Where will the activities take place?

In this chapter, the process of planning the acquisition, defining requirements, prioritizing requirements, defining the solution, and identifying and contacting vendors are discussed.

Additionally, the role of a technology acquisition project manager is defined, if it hasn't already been assigned during the Initiation phase. Assigning the right

project manager can make or break a technology acquisition. You will learn what qualities make a project manager successful.

The different roles of the project team are also discussed in detail in this chapter. Ensuring that the right combination of people exist on the team is critical to selecting the right technology for your business.

THE PLANNING PROCESS

The Planning process consists of five subprocesses: project planning, requirements definition, prioritization, the solution, and identifying and contacting vendors (Figure 2-1).

Figure 2-1: Planning subprocesses

Project planning is the process of identifying all of the work to be done and organizing it into a manageable plan, which includes developing a project plan and a project schedule.

It is very important that you know what the stakeholder organizations need before you start researching and evaluating vendors and their technologies. This includes defining the functionality, technology, strategic partnership, and cost requirements.

The output of the requirements definition is a list of requirements that may include everything from "nice to have" to "must have" business requirements (also called showstoppers). The "Prioritization" section of this chapter provides a tool to help you define this list. It helps you understand what is important in evaluating vendors and enables you to objectify the decision-making process.

The "Defining the Solution" section discusses identifying solutions, analyzing solutions, selecting a solution, making the buy versus build decision, and developing a business case to justify the selected solution. By the end of this subprocess, you should have a detailed understanding of *how* the project will address the business need.

How do you determine which vendors to include in your technology acquisition process? The last section in this chapter, "Identifying and Contacting Vendors" describes several methods of identifying vendors for your acquisition. This section also discusses how to make the initial contact through the use of a letter of intent (LOI) and nondisclosure agreement (NDA).

The Project Plan

The purpose of the project plan is to provide a tool for the project manager to visualize, track, manage, and understand all activities required to successfully complete a project. It is also a tool used to communicate the plan to the project team, project sponsor, stakeholders, and executive management. It is important to distinguish the difference between a project plan and a project schedule.

A project plan should include all planning activities that are required to execute and control the project including plans to manage the change, risk, issues, products, quality, communication, releases, human resources, and costs (see the following project plan template and sample).

Because these additional planning activities are covered in several other project management books, they will not be covered in great detail. See the Resources appendix at the end of this book for additional information on these planning activities.

Template

PROJECT PLAN

PROJECT MANAGEMENT PLAN
Defines the methodology that will be used and the approach to managing the activities and tasks required to complete the project.

RISK MANAGEMENT PLAN
Describes the processes and tools that will be used to track and manage the identification, planning, assessment, quantification, response, and mitigation strategy for each risk in the project.

ISSUE MANAGEMENT PLAN
Describes the processes and tools that will be used to track and manage the prioritization, delegation, status, and resolution of project issues.

(*continued*)

Template (continued)

CHANGE MANAGEMENT PLAN
Describes the processes and tools that will be used to track and manage the changes to the project or product of the project and impact assessments and approvals for each change.

QUALITY MANAGEMENT PLAN
Describes the processes and tools that will be used to track and manage quality throughout the project. This plan may include quality assurance and quality control.

PRODUCT MANAGEMENT PLAN
Describes the processes and tools that will be used to track and manage product requirements, definition, and design specifications.

RELEASE MANAGEMENT PLAN
Describes the processes and tools that will be used to track and manage multiple product versions that will be implemented as a suite of products in a release.

HUMAN RESOURCE MANAGEMENT PLAN
Describes the processes and tools that will be used to track and manage human resources for the duration of the project. It is also common to list the roles, requirements, and team members in this section of the Project Plan.

COST MANAGEMENT PLAN
Describes the processes and tools that will be used to track and manage costs and variances between budgeted, planned, and actual costs for the project.

The Project Schedule

A project schedule typically includes a list of activities and tasks. Tasks represent the actual work to be completed. It is at the task level that work is assigned to resources. Once a list of activities and associated tasks are defined, you can add more detail to each task, such as duration, dependencies, resources, costs, and start and finish dates. You should also define the key milestones for the project. It is recommended that you invest in project scheduling software if your company does not already provide this software. Project scheduling software allows you to look at activities in

SAMPLE Project Plan

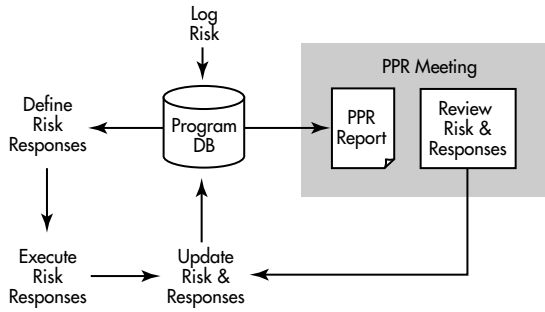
1. Project Management Plan

The following diagram represents the project life cycle that will be used to manage this project:

The detailed project schedule is attached to the appendix of this document.

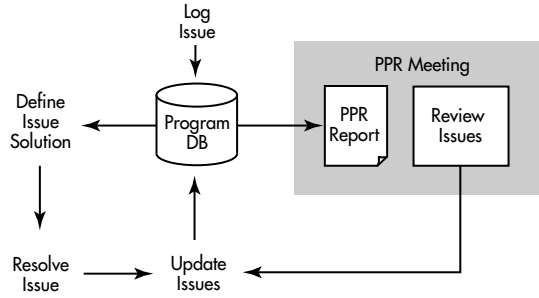
2. Risk Management Plan

Risks will be managed using the department's program database and reviewed in the weekly Project Plan Review (PPR) meetings.



3. Issue Management Plan

Issues will be managed using the department's program database and reviewed in the weekly Project Plan Review (PPR) meetings.

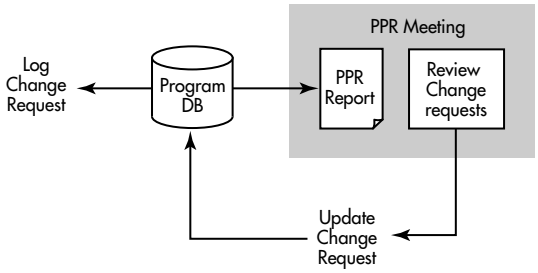


(*continued*)

SAMPLE Project Plan (*continued*)

4. Change Management Plan

Changes will be managed using the department's program database and reviewed in the weekly Project Plan Review (PPR) meetings.



5. Quality Management Plan

The Quality Control team will test the solution using the department standard testing procedures prior to implementation.

6. Product Management Plan

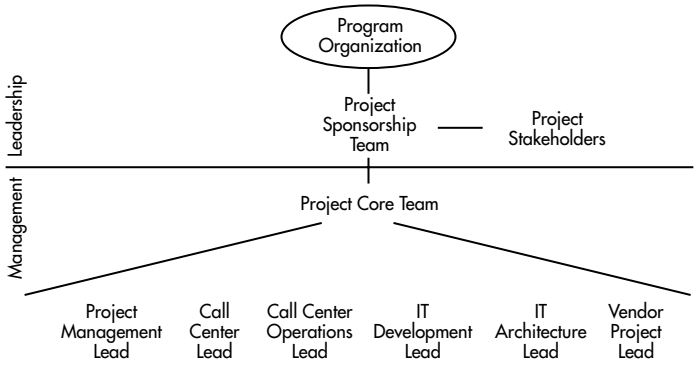
Modifications to the vendor's product will be tracked and managed in the program database. There will be a weekly product change review meeting with the vendor.

7. Release Management Plan

There is no need for an extended release management plan for this project.

8. Human Resource Management Plan

The following diagram represents the project organization for this project.



The roles and responsibilities of each team member are as follows.

Project Sponsorship Team:

- Apply leadership to the project
- Support the project manager and the project core team leads
- Provide project decision making and issue resolution when appropriate
- Escalate issues to program management and executive management when appropriate
- Provide resources to the project core team
- Communicate issues to the project core team
- Communicate project status to representative departments

Project Management Lead:

- Apply project management practices to plan, execute, and control all project activities
- Own and manage the project plans and schedules
- Monitor and ensure compliance to program processes
- Escalate key risks, issues, and project changes to project sponsorship and program management
- Communicate project status to project sponsorship and program management
- Assign and manage project core team lead roles (including vendor project managers)

Call Center Lead:

- Primary liaison between the call centers and the project team
- Define call center priorities
- Manage and coordinate call center requirements definition
- Communicate project status to the call centers
- Manage and coordinate all call center project activities
- Provide regular updates to project manager on all activities

Call Center Operations Lead:

- Primary liaison between the call center operations and the project team
- Define call center operation priorities
- Manage and coordinate call center operation requirements definition
- Communicate project status to the call center operations
- Manage and coordinate all call center operation project activities
- Provide regular updates to project manager on all activities

IT Development Lead:

- Manage design, development, and testing of all internal development
- Manage and coordinate development resources
- Manage vendor development integration
- Provide regular updates to project manager on all activities

(*continued*)

SAMPLE Project Plan (*continued*)

IT Architecture Lead:

- Manage architecture design, development, and testing
- Manage and coordinate architecture development resources
- Manage vendor architecture development
- Provide regular updates to project manager on all activities

Vendor Project Lead:

- Insure delivery of services and products according to plan
- Manage vendor activities
- Manage vendor resources
- Escalate issues to project manager
- Provide information to other team leads
- Provide regular updates to project manager on all activities

9. Cost Management Plan

Costs will be logged in the department's project accounting system weekly, and the Project Core Team will review the reports in the Project Plan Review (PPR) meeting.

multiple views, each with a different purpose. For example, there are views to help you understand the relationship between tasks, scope of tasks, and status of tasks. There is also usually a resource list, which includes the cost and availability of project resources. See the following project schedule sample for more details.

Requirements Definition

Before you can determine which vendor best meets your requirements, you need to define your requirements. It is easier to define the requirements if you divide the task into groups of requirements and focus on each group individually. It is recommended that you focus on defining functionality, technology, strategic partnership potential, and cost requirements, each as separate groups.

Functionality Requirements

A functionality requirement is a business function or activity that the business needs to perform. The functionality requirements are a more detailed version of the business needs defined in the project charter. They too answer the question of *what* needs to happen. It is very important that you do not include the *how* it should

SAMPLE PROJECT SCHEDULE

ID	Task Name	Duration	Start	Finish	Pre	Owner
0	**SAMPLE PROJECT SCHEDULE**	**151 days**	**01/01/01**	**07/30/01**		
1	Project Start Date	1 day	01/01/01	01/01/01		
2	**Initiation**	**16 days**	**01/02/01**	**01/23/01**		
3	**Business Need**	**3 days**	**01/02/01**	**01/04/01**		
4	Define Business Need	2 days	01/02/01	01/03/01	1	Business Lead
5	Review Business Need	1 day	01/04/01	01/04/01	4	Business Sponsor
6	Business Need Approval	0 days	01/04/01	01/04/01	5	Business Sponsor
7	**Project Charter**	**13 days**	**01/05/01**	**01/23/01**		
8	Schedule Charter Meetings	1 day	01/05/01	01/05/01	6	Project Manager
9	Chartering Meetings	4 days	01/15/01	01/18/01	8FS+5 days	Project Manager
10	Develop Project Charter	2 days	01/19/01	01/22/01	9	Project Manager
11	Review Project Charter	1 day	01/23/01	01/23/01	10	Project Sponsor
12	Project Charter Approval	0 days	01/23/01	01/23/01	11	Project Sponsor
13	**Planning**	**15 days**	**01/24/01**	**02/13/01**		
14	**Project Plan**	**5 days**	**01/24/01**	**01/30/01**		
15	Define Project Manager	1 day	01/24/01	01/24/01	12	Project Sponsor
16	Define Project Team	1 day	01/24/01	01/24/01	12	Project Manager
17	Project Kick-off Meeting	1 day	01/25/01	01/25/01	15,16	Project Manager
18	Develop Project Plan	2 days	01/26/01	01/29/01	17	Project Manager
19	Review Project Plan	1 day	01/30/01	01/30/01	18	Project Sponsor
20	**Finalize Vendor List**	**8 days**	**01/31/01**	**02/09/01**		
21	Define Vendor List	1 day	01/31/01	01/31/01	19	Procurement Lead
22	Create RFI	1 day	02/01/01	02/01/01	21	Procurement Lead
23	Email RFI to Suppliers	1 day	02/02/01	02/02/01	22	Procurement Lead
24	Vendor RFI Response Due	0 days	02/02/01	02/02/01	23	Vendors
25	Select Vendor List	4 days	02/05/01	02/08/01	24	Project Team
26	Notify Vendors of List	1 day	02/09/01	02/09/01	25	Procurement Lead
27	**Decision Scoring Matrix**	**3 days**	**02/09/01**	**02/13/01**		
28	Establish Evaluation Criteria	1 day	02/09/01	02/09/01	25	Project Team
29	Develop Decision Scoring Matrix	1 day	02/12/01	02/12/01	28	Project Team
30	Review Decision Scoring Matrix	1 day	02/13/01	02/13/01	29	Project Sponsor
31	Decision Scoring Matrix Approval	0 days	02/13/01	02/13/01	30	Project Sponsor
32	**Research**	**24 days**	**02/14/01**	**03/19/01**		
33	RFP Process	24 days	02/14/01	03/19/01		
34	Create RFP	9 days	02/14/01	02/26/01		
35	Create Content	5 days	02/14/01	02/20/01		
36	Functional Requirements	5 days	02/14/01	02/20/01	31	Business Lead
37	Technology Requirements	5 days	02/14/01	02/20/01	31	Development Lead, Architecture Lead
38	Strategic Partnership Requirements	5 days	02/14/01	02/20/01	31	Procurement Lead
39	Cost Requirements	5 days	02/14/01	02/20/01	31	Procurement Lead
40	Appendix Info	5 days	02/14/01	02/20/01	31	Procurement Lead
41	Create Draft 1	1 day	02/21/01	02/21/01	35	Procurement Lead
42	Review Draft 1	1 day	02/22/01	02/22/01	41	Project Manager
43	Create Final Version	1 day	02/23/01	02/23/01	42	Procurement Lead
44	Review Final Version	1 day	02/26/01	02/26/01	43	Project Sponsor, Project Manager
45	RFP Approval	0 days	02/26/01	02/26/01	44	Project Sponsor
46	Send RFP to Vendors	0 days	02/26/01	02/26/01	45	Procurement Lead
47	Vendor Proposals Due	0 days	03/19/01	03/19/01	46FS+15 days	Vendors
48	**Evaluation**	**19 days**	**03/20/01**	**04/13/01**		
49	Proposal Review	3 days	03/20/01	03/22/01	47	Project Manager
50	Vendor Scoring	3 days	03/23/01	03/27/01	49	Procurement Lead
51	Team Recommendation	1 day	03/28/01	03/28/01	50	Project Manager
52	Decision Process for Short List (3 vendors)	1 day	03/29/01	03/29/01	51	Project Manager
53	Short List Evaluation	11 days	03/30/01	04/13/01		
54	Reference Calls	3 days	03/30/01	04/03/01	52	Project Manager
55	Schedule On-site Vendor Demos	1 day	03/30/01	03/30/01	52	Project Manager
56	On-site Vendor Demos	3 days	04/09/01	04/11/01	55FS+5 days	Project Manager
57	Decision Process	1 day	04/12/01	04/12/01	54,56	Project Manager
58	Communicate Decision to Vendors	1 day	04/13/01	04/13/01	57	Project Manager
59	**Negotiation**	**23 days**	**04/16/01**	**05/16/01**		
60	Negotiation Strategy	1 day	04/16/01	04/16/01	58	Procurement Lead
61	Negotiation Planning	2 days	04/17/01	04/18/01	60	Procurement Lead
62	Business Negotiations	10 days	04/19/01	05/02/01	61	Procurement Lead
63	Contract Negotiations	20 days	04/19/01	05/16/01	61	Procurement Lead
64	Contract Approval	0 days	05/16/01	05/16/01	63	Procurement Lead
65	**Implementation**	**37 days**	**05/24/01**	**07/13/01**		
66	Project Implementation Team Kick-off	1 day	05/24/01	05/24/01	64FS+5 days	Project Manager
67	Development	20 days	05/25/01	06/21/01	66	Development Lead
68	Testing	10 days	06/22/01	07/05/01	67	Development Lead
69	Training	5 days	07/06/01	07/12/01	68	Vendor, Business Lead
70	Deployment	1 day	07/13/01	07/13/01	69	Project Manager
71	**Operation**	**11 days**	**07/16/01**	**07/30/01**		
72	Transition Support to Operations	5 days	07/16/01	07/20/01	70	Project Manager
73	Project Closure	6 days	07/23/01	07/30/01		
74	Technology Acquisition Executive Summary	2 days	07/23/01	07/24/01	72	Project Manager
75	Project Team Member Reviews	3 days	07/23/01	07/25/01	72	Project Manager
76	Project Closure Form	1 day	07/23/01	07/23/01	72	Project Manager
77	Celebrate Success	1 day	07/30/01	07/30/01	70FS+10 days	Project Manager

happen at this point. You will want to leave it open for the vendor to present *how* you should accomplish each requirement.

It is important to define all the functionality requirements of the stakeholder business organizations involved. You need to know what functionality is necessary before you can evaluate which vendor is best positioned to deliver that functionality. To put this into perspective, let's look at a functionality requirement for a house as an analogy. A real estate agent should know that his buyer is disabled and has a functionality requirement for the house to have wheelchair access. If he looks for a house before knowing the buyer's functionality requirements, he risks wasting his time showing the buyer houses that do not meet the buyer's minimum requirements. Think of yourself as the real estate agent and the project team as the buyer. Make sure the project team clearly defines its functionality requirements before you start contacting vendors.

Functionality requirements are best defined in a group session with members of the stakeholder organizations. You should have someone facilitate these sessions with each stakeholder organization. The facilitator should lead the discussion by probing for more detail and questioning requirements as the stakeholders express them. The goal is to capture as much information as possible while staying on track and covering the full spectrum of requirements. The facilitator might experience some conflict between stakeholders. This is not necessarily a bad thing. Conflict can bring out the true requirements and inspire more participation. The facilitator is responsible for managing this conflict so that it continues until all sides of the argument are heard while ensuring that the conflict stays professional.

Functionality requirements can be captured in many different formats. Some prefer a format such as the following bulleted list.

Tender transaction:

- Accept Visa, MasterCard, American Express, and Discover
- Accept debit cards
- Accept cash
- Accept checks
- Accept multiple payment methods

Another way to present the functionality requirements is in a table format as in Table 2-1. The table approach is recommended, as it is easier to add the requirements to a Request for Proposal (RFP). See Chapter 3 for more information.

Table 2-1: Categorized Table of Requirements

#	Category	Requirement
1	Tender Transaction	Accept Visa, MasterCard, American Express, and Discover
2	Tender Transaction	Accept debit transactions
3	Tender Transaction	Accept cash
4	Tender Transaction	Accept checks
5	Tender Transaction	Accept multiple payment methods
6	Tender Transaction	Void transactions

The level of detail required in defining functionality requirements should be as specific as possible. Remember, the more explicit you are in defining your requirements for the vendor, the better chance the vendor will have in proposing an appropriate solution. To get an idea of the level of detail necessary, see the sample RFP in Chapter 3.

Once you have defined all the functionality requirements for the proposed solution, you need to present them for approval. Typically, you need approval from the stakeholder business organizations, the project manager, and the project sponsor (usually in that order). Be sure to have everyone sign off on this document to ensure that all stakeholders agree on the functionality requirements.

Technology Requirements

The technology requirements are different than the functionality requirements in that there are usually fewer options for a vendor's response. These requirements are more black and white. The vendor's technology either meets the requirement or it doesn't. For example, a technology requirement might be compatibility with a specific network operating system. The vendor's product is either compatible with the network operating system or it isn't. Because the technology requirements are as such, it is easier to compare vendors and their abilities to meet these types of requirements.

It is very important to define your organization's technology requirements. Failure to do so can result in the purchase of technology that will not work in your computing environment. A product with a poor technology base can also limit its ability to adapt to your ever-changing business.

Defining technology requirements is a lot easier than defining functionality requirements. In fact, most IT organizations will already have their technology

requirements defined. A full set of technology requirements can be applied to multiple technology development and acquisition projects. Have the technology analysts on your team do a little checking around. They will probably find a set of technology requirements that were used on a different project that would also be sufficient for your project. If not, have your technology analysts work with each organization's IT department to gather technology requirements. The format for documenting technology requirements should be the same as the format used in documenting the functionality requirements.

Once you have a full set of technology requirements, you need to obtain approval from the IT management. Make sure that management signs the requirements document so that you have covered all the bases and have included the right people in the process. See the sample RFP in Chapter 3 for an example of a set of technology requirements.

Strategic Partnership Requirements

Conducting a technology acquisition project every year would be very costly. Therefore, you should do your best to select a vendor and a technology that can grow with your business for the next 2–3 years. Before you begin a business relationship with a vendor, make sure that the vendor meets your requirements as a business partner.

Determine what your expectations of a technology vendor are before you begin researching and evaluating vendors. Decide what type of company will work well with your company. Figure out if you are looking for a technology driven organization or a market driven organization. A technology driven organization is focused on having the latest and greatest technology, but may not want to change its technology for each customer. Providing the best technology is its focus and what it does best. A market driven company, on the other hand, puts the customer before the technology. Its primary focus is to meet each of its customer's requirements, even at the expense of providing leading-edge technology. Some companies work better with one type of vendor than another. Determine which type will be best for your company in the long term. Also, be sure to ask the vendor how much its base solution can be customized to meet your needs without limiting your ability to take advantage of future upgrades.

The strategic partnership requirements should be defined by a subset of the project team. If you plan to travel to vendor locations or the vendor's customer locations, you will need all of these people to attend each visit. For this reason, you will want to minimize the number of project team members while ensuring all areas are represented. In past projects that I have managed, all project team members were

included because each member represented an important stakeholder organization. The extra costs were worth it because we planned to partner with the selected vendor for the next 2 to 3 years. Regardless of the number of people involved in the strategic partnership requirement development, it is recommended that you include all of them in every research method that is associated with these requirements. This allows them to evaluate each vendor fairly during the Evaluation phase.

The format for documenting strategic partnership requirements can be as simple as a list of questions for the vendor to answer.

When you are defining your strategic partnership requirements, it is recommended that you cover the following areas by asking these questions:

- *Vendor profile:* What type of company do you want to do business with? This can apply to the company's size (revenue, market share, employees, and products), priorities, partnerships, certifications, or any other characteristic that you feel is important.
- *Training:* What are your training requirements for the vendor? Do you need the vendor to train your trainers or conduct the training for you? Is it important that your vendor have significant training capabilities? What are your expectations for the vendor's training capability?
- *Support:* What are your support requirements? Will you need the vendor to support the end users of the product or your internal support personnel? What are your Service Level Agreement (SLA) requirements? Do you have any preferences in the method of training used (training session, training manual, or computer-based training)?
- *Experience:* Is it important that the vendor be well established in its market, or is it OK if the vendor is a newcomer? Some organizations will not deal with vendors who are not well established within their market. How leading edge does the technology need to be? You will have more vendors to chose from if a mature technology is sufficient in addressing the business need.
- *Thought leadership:* Do you want a vendor to take the lead in telling you what you should be doing or will you be telling the vendor what you want it to do? If you already know specifically what you want, you might not require a vendor with significant creative design consulting capabilities.
- *Customer references:* How important are customer references? Is it important that the vendor have experience with implementations in similar businesses?

Once you have a full set of strategic partner requirements, you need to obtain approval from the stakeholder organizations, project manager, and project sponsor. Make sure they sign the requirements document so that you have covered all the bases and have included the right people in the process. See the sample RFP in Chapter 3 for a list of strategic partnership requirements.

Cost Requirements

Determine your cost requirements for the technology acquisition and decide whether the cost is a high priority in the decision to choose a vendor. It is important to define your cost requirements prior to seeing a vendor's price quote. This is similar to determining how much you plan to spend prior to going shopping. Predetermining cost requirements will make it easier to focus on the costs that were used in the business case, a document used to determine the financial costs, benefits, and return on investment for the project.

It is helpful to create a spreadsheet with the cost model so that vendors can fill in their numbers using the same format. This allows for easier comparison.

Cost requirements should be defined by the project manager and be reviewed for approval by the project sponsor. In some cases, you may also need to include a representative from a stakeholder organization that is supplying the majority of the budget for the acquisition. The general rule is to stick with the costs outlined in the business case for the solution.

Once you have defined the cost requirements, you need to obtain approval from the stakeholder organizations, project manager, and project sponsor. Make sure they sign the requirements document so that you have covered all the bases and have included the right people in the process. See the sample RFP in Chapter 3 for an example of cost requirements.

Prioritization

It is common to find that each vendor has strong points and weak points. Where one vendor is exceptional, another might be lacking. For example, one vendor may have a better architecture but is a small and unstable company financially. Another vendor may have a weak architecture but a strong and stable company financially. Which do you choose? Either way, you are at risk. This type of situation reinforces the need to prioritize your requirements prior to researching and evaluating vendors. By understanding what is important to your organization before looking at vendors, you can be objective about what is important. On the other hand, if you

don't have a good understanding of your organization's priorities, you may end up selecting the wrong vendor.

Defining the Priorities

The members of the project team should define the priorities for their area of expertise. In other words, the business subject matter experts (SMEs) should prioritize the functionality requirements, technology analysts should prioritize the technology requirements, team members involved in evaluating strategic partnership potential should prioritize the strategic partnership requirements, and the project manager and project sponsor should prioritize cost requirements. Each of these team members should prioritize their requirements in order of importance. Once this is complete, you should meet with your project sponsor and managers from the project stakeholder organizations to have them prioritize at a higher level (see the following decision scoring matrix template). After accomplishing these two prioritization tasks, work to combine them to understand how the high-level priorities integrate with the detailed level priorities. The decision scoring matrix is a tool I highly recommend that you use to prioritize your requirements.

Start by listing the requirement categories (functionality, technology, strategic partnership, and cost) and dividing 100 points among them. One hundred points works well because it represents 100 percent of the decision. This makes it easier to conceptualize the percentage of the decision that will be allocated to each category. As you assign points to a requirement category, those points become the percentage of the decision that will be decided by how the vendors rate in that category. For example, if cost is not the primary concern, you might assign 10 points to this category. This would mean that the cost of each vendor's solution represents 10 percent of the decision (see the following decision scoring matrix template and sample).

Once you have divided the 100 points into the four categories, you can then proceed to divide the points in each category to the subgroups of requirements. Using the preceding cost category example, you might have two subgroups under cost requirements called initial costs and annual support costs. If your stakeholders and project sponsors stress minimizing the company's ongoing expenses, you might assign 7 of the 10 points to annual support costs, which are expense costs, and 3 of the 10 points to the initial cost, which is usually a capital cost. In this scenario, the ongoing cost represents 7 percent of the final decision of which vendor best meets your requirements. Continue assigning points from each category to the subgroups within that category until all points are assigned to a subgroup. This information should be documented in a format similar to the decision scoring matrix.

Template

TEMPLATE: DECISION SCORING MATRIX

The decision scoring matrix is a table that helps to objectify the decision-making process by breaking the overall decision into many small decisions. Although this may not always produce the final decision, it will definitely tell you a lot about how the vendors compare so that you can make an educated decision. The following table can be used as a template for the decision scoring matrix.

	Category Points	Group Points	Vendor A	Vendor B	Vendor C
Functionality	30				
<Requirement group>		10	8	4	9
<Requirement group>		15	10	11	10
<Requirement group>		5	5	5	5
Technology	40				
<Requirement group>		15	10	1	5
<Requirement group>		10	10	5	10
<Requirement group>		15	12	7	10
Strategic Partnership Potential	20				
<Requirement group>		10	8	10	8
<Requirement group>		10	5	10	8
Costs	10				
<Requirement group>		4	2	4	2
<Requirement group>		6	3	6	2
Totals	**100**	**100**	**73**	**63**	**69**

As you can see from the totals, Vendor A would represent the vendor who is more closely aligned with your company's requirements.

The following sample decision scoring matrix was used in a real technology acquisition. The sample was modified to protect the confidentiality of the vendors, but you can see the amount of detail that this tool can provide to the decision makers. In this

SAMPLE DECISION SCORING MATRIX

EXAMPLE SCORING MATRIX **Key: 0-Doesn't Meet, 1-Weak Meets, 2-Meets, 3-Strong Meets, 4-Exceeds**

VERSION 4.0 - DATED 11/13/2000 1PM

Description	Points	% of	Vendor A		Vendor B		Vendor C		Vendor D	
		Points	Score	Points	Score	Points	Score	Points	Score	Points
Functionality	**10**									
1 Functionality Group 1		5.0%	3	0.4	4	0.5	1.5	0.2	3	0.4
2 Functionality Group 2		5.0%	2	0.3	4	0.5	3	0.4	1	0.1
3 Functionality Group 3		2.0%	3.5	0.2	2	0.1	0	0.0	0	0.0
4 Functionality Group 4		15.0%	1	0.4	3	1.1	2	0.8	2	0.8
5 Functionality Group 5		15.0%	3	1.1	4	1.5	2	0.8	2	0.8
6 Functionality Group 6		15.0%	2	0.8	2	0.8	2	0.8	0	0.0
7 Functionality Group 7		15.0%	3	1.1	4	1.5	3	1.1	2	0.8
8 Functionality Group 8		8.0%	1	0.2	4	0.8	2.5	0.5	1	0.2
9 Functionality Group 9		7.0%	2	0.4	3	0.5	0.5	0.1	0	0.0
10 Functionality Group 10		5.0%	1	0.1	4	0.5	2	0.3	2	0.3
11 Functionality Group 11		5.0%	1	0.1	2	0.3	3	0.4	2	0.3
12 Functionality Group 12		3.0%	1	0.1	4	0.3	1	0.1	1	0.1
				5.1		**8.4**		**5.2**		**3.5**
Technology	**30**									
1 Technology Requirements Group 1		12.0%	4	3.6	2	1.8	3	2.7	2	1.8
2 Technology Requirements Group 2		7.5%	3	1.7	3	1.7	2	1.1	0	0.0
3 Technology Requirements Group 3		5.0%	4	1.5	2	0.8	2	0.8	2	0.8
4 Technology Requirements Group 4		5.0%	3	1.1	0	0.0	2	0.8	1	0.4
5 Technology Requirements Group 5		7.5%	3	1.7	1	0.6	1	0.6	1	0.6
6 Technology Requirements Group 6		7.5%	2	1.1	3	1.7	2	1.1	0	0.0
7 Technology Requirements Group 7		17.0%	4	5.1	4	5.1	2	2.6	1	1.3
8 Technology Requirements Group 8		17.0%	3	3.8	1	1.3	0	0.0	1	1.3
9 Technology Requirements Group 9		12.0%	4	3.6	3	2.7	2	1.8	2	1.8
10 Technology Requirements Group 10		12.0%	3	2.7	4	3.6	2	1.8	1	0.9
11 Technology Requirements Group 11		5.0%	4	1.5	2	0.8	1	0.4	2	0.8
12 Technology Requirements Group 12		0.0%	3	0.0	3	0.0	1	0.0	1	0.0
13 Technology Requirements Group 13		0.0%	3	0.0	2	0.0	1	0.0	1	0.0
				27.5		**19.9**		**13.5**		**9.5**
Strategic Partnership Potential	**20**									
1 Supplier Profile		10.0%	3	1.5	4	2.0	2	1.0	1	0.5
2 Training		20.0%	3	3.0	2.5	2.5	2	2.0	1	1.0
3 Support		20.0%	3	3.0	4	4.0	1	1.0	2	2.0
4 Experience		20.0%	3	3.0	3	3.0	2	2.0	1	1.0
5 Implementation Plan		10.0%	2	1.0	4	2.0	2	1.0	0	0.0
6 Customer Reference Calls		20.0%	2	2.0	4	4.0		0.0		0.0
				13.5		**17.5**		**7.0**		**4.5**
Costs	**40**									
1 Initial Costs - Area 1		57.0%	4	22.8	3	17.1		0.0		0.0
2 Initial Costs - Area 2		10.0%	3	3.0	1	1.0				
3 Initial Costs - Area 3		15.0%	4	6.0	2	3.0				
4 Initial Costs - Area 4		11.0%	1.5	1.7	2	2.2				
5 Ongoing Costs - Area 1		3.0%	4	1.2	3	0.9				
6 Ongoing Costs - Area 2		3.0%	2	0.6	1	0.3				
7 Ongoing Costs - Area 3		1.0%	1.5	0.2	2.5	0.3		0.0		0.0
				35.4		**24.8**		**0.0**		**0.0**
Total Score	**100**			**81.4**		**70.5**		**25.8**		**17.5**

sample, you can see that Vendor A is clearly the leader in technology and cost, whereas Vendor B is the leader in functionality and strategic partnership potential. Because technology and cost were given more weight in the scoring, Vendor A became the vendor of choice. Using this tool, you can see how it can help you break down a substantial decision into several small decisions.

Approval and Consensus of the Priorities

Once you have reviewed the final list of priorities and have defined a decision scoring matrix, you need to obtain approval from the project sponsor and project stakeholder organizations. It is usually surprising to find out that priorities are different than initially communicated when it comes down to objectively defining and documenting these priorities. For example, you may hear at the outset of the project planning that cost is critical in selecting a new system. However, when you ask project stakeholders to suggest a trade-off in functionality for cost in the decision scoring matrix, they tend to change their minds and usually allocate a higher percentage to functionality than cost—hence the value of the decision scoring matrix. It forces the decision makers to quantitatively prioritize what is important in the decision to choose a vendor. Take the time to do a quality job defining the priorities and gaining a consensus, and you will greatly improve your project's probability of success in selecting the right vendor and technology for your business needs.

You should also consider the impact that hidden agendas can have on the decision-making priorities. Try to get a good understanding of the reasons behind the priorities. If you sense that priorities don't agree with the business need and business case that justified the project to begin with, it is important to pursue your hunch and gain an understanding of why the priorities have changed. There are cases where managers undertake practices often referred to as "empire building" at the expense of what is right for the company. Although you might not always be able to stop these hidden agendas, it is important that the project manager and project sponsor both be aware of the influence these agendas will have on the success of the project.

It is highly recommended that you obtain a signature from all stakeholders approving the priorities stated in the decision scoring matrix. Although this can seem a little excessive, it is important because it causes the decision makers to perform due diligence in making sure they have correctly defined their priorities.

Defining the Solution

Once the business need has been analyzed and approved, it is then time to begin defining a solution. Before proceeding, make sure you understand all of the business

drivers behind the need. Additionally, make sure you have a good understanding of all the facts and assumptions surrounding the business need. Once you are confident that you have a good understanding of the business need, you can define potential solutions. There are several ways to define potential solutions including defining them internally, leveraging internal best practices, evaluating industry best practices, or hiring an outside expert to define potential solutions (Figure 2-2).

- *Defining solutions internally:* The most common approach to defining potential solutions is to do it internally. Most companies have business analysts and technical analysts who have an extensive understanding of the business and current technology. Bringing these two groups together can often produce the best solutions to address the business need. If you pursue this approach, have an objective person facilitate the discussion. A good facilitator will keep the discussion on track while drawing out all of the possible solutions. It is important for the facilitator to understand how to manage conflict to engage the group while respecting all attendees as equals. It is sometimes helpful to conduct these sessions off-site to keep everyone focused on the task and eliminate distractions.
- *Evaluating internal best practices:* Find out if your organization captures best practices. If your business is a subsidiary of a parent company, you may find that another subsidiary of the parent company has already captured a best practice for addressing the business need. This can be one of the most efficient methods for defining a solution to address the business need.
- *Evaluating industry best practices:* Another approach to defining potential solutions is to evaluate industry best practices. This is typically done with the help of a third-party research firm. You can also leverage your staff's contacts at other companies to research industry best practices. You will find that most companies that are not in competition with your company will be happy to share best and worst practices with you if you do the same. You might also be able to acquire industry best practices from a consulting firm that specializes in your business. Evaluating industry best practices allows you to leverage time and money spent as well as the lessons learned by other companies to help you define the potential solutions for your business need. You will also have a better understanding of which vendors are experienced in providing solutions for your business need.

- *Hiring an external expert to define solutions:* In the previous approach, you acquire a set of industry best practices that have already been developed. In this approach, you hire an expert to define solutions that have not yet been developed. Although this approach can be very expensive, hiring an expert can also provide an objective list of potential solutions that you may not have been able to define internally. The key is to hire the right expert. An expert must have extensive experience in your industry and have a history of successes in addressing real business needs for similar companies.

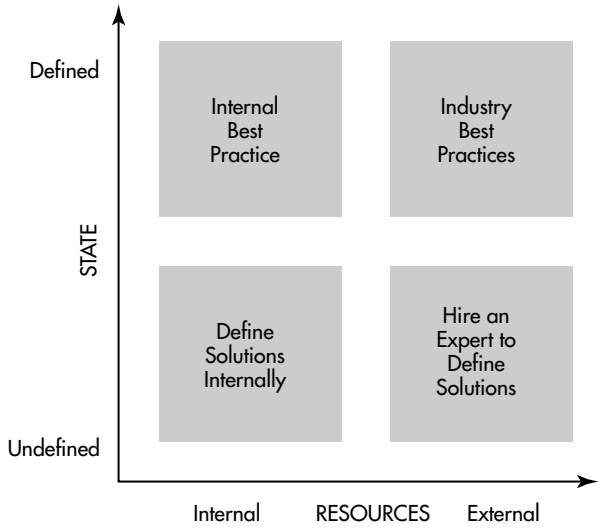


Figure 2-2: Four methods for identifying potential solutions

Upon completing your list of potential solutions to address the business need, you need to begin the process of selecting a solution. At this point in the process, the key is not to make the final decision. Instead, you should decide on which solution to spend the additional time and resources that are required to develop a detailed business case.

One of the major assumptions of this book is that you have identified technology as the solution to address your business need. If technology is the solution, the next step is to determine where the technology will come from. There has been much debate on the question of when to buy and when to build technology. What is the correct answer? There is no universally correct answer to this question. However, answering the following 10 questions will help you determine the correct solution for your current situation:

1. *Will the technology provide a competitive advantage?* Building technology requires your company's time and resources to manage, build, implement, and support that technology. Are you willing to commit your staff to this effort or is there a better use of their time? You are better off dedicating your limited staff to building technology that will give you an advantage over your competitors and buying technology that won't.

   Developing an accounting system is an example of a technology that will not give most businesses a competitive advantage. There are literally hundreds of accounting system vendors in the marketplace that have dedicated huge research and development (R&D) budgets to fine-tuning these systems to support any type of enterprise. Don't focus your time and energies on reinventing the wheel when it will not put you in any better position than if you had purchased the system.

   An example of a system that will give most businesses a competitive advantage if developed internally is a call-tracking system. Most businesses can provide unique support options to their customers by building a custom call-tracking system. Although there are generic call-tracking systems on the market, you know your customers best and would probably be able to create a customized system that would provide better support than your competitors.

2. *Can you build it?* The demand for quality technology professionals is rapidly increasing. This demand is making it more difficult to retain quality personnel who can build the technology you need efficiently and effectively. Technology vendors are dedicated to hiring and retaining the most talented technology professionals. The quality of their technology resources might enable them to build a better product in less time and at a lower cost. Look at the quality of the work that your internal IT professionals are producing. Are projects delivered on time, within budget, and with the desired functionality and level of quality?

3. *Can you build it for less money?* Determine how mature the market is for this technology. If there are only a few vendors in the market, they might be able to charge excessive prices and get away with it due to lack of alternatives for the customer. In this case, you might be able to save a significant amount of money by building the technology yourself.

   On the other hand, if there is significant competition among vendors in this market, you might be able to buy a technology at a much lower price

than you could build it for yourself. This is generally because vendors are spreading the cost of R&D over all their customers, whereas you would only be able to absorb this cost within your own business.

4. *Can you build it fast enough?* Determine how critical this technology is to your business, what the Return on Investment (ROI) is, and how much it is costing you not to have this technology. You might find that it is more beneficial to have the technology sooner than later, even if it costs more. In this case, you can implement an existing vendor system faster than you can design, build, test, and implement one yourself.

5. *Is this the best use for your internal technology resources?* Determine what skill sets your technology professionals have. If your technology resources are experienced in building mainframe systems and the situation calls for a client/server system, you will save in training time and cost as well as avoid mistakes of inexperience if you buy the technology.

6. *Are you willing to take on the risk of building it yourself?* Vendors are committed to delivering a solution as agreed to in a legally binding contract. If they can't deliver, they take the hit on the development costs. They assume all the risks in this situation. When you build a system yourself, you assume the risk of losing time and resources if the solution cannot be implemented successfully.

7. *Can you provide adequate support and upgrades after implementation?* Determine how effective and responsive your support department is. Decide whether it can provide the same or better support than a vendor or if it can provide support for less money. Some organizations are so overextended that they cannot assume support of an additional system and provide the same quality of support as a vendor.

   Establish whether you can provide upgrades and enhancements to the system quarterly or twice a year. It is inevitable that users of the system will have additional requirements that they couldn't have defined prior to using the system. Determine if your organization can continually provide improvements at the same rate as a vendor whose bottom line is directly tied to its ability to improve the product.

8. *Is building technology part of your core competency?* Many businesses are achieving positive results by focusing on their core competency and

outsourcing development and management of anything that is not tied directly to it. Establish your company's stance on buying or building technology. Figure out if your company is trying to do too many things at one time.

9. *Where is the technology headed in the future?* You might be able to build technology that is equivalent to what is available on the market today, but do you know what products are just about to hit the market? Vendors may have been working on new versions of their products that are far superior to what is currently on the market. If you build it yourself, you may find out about a new product after you have invested a great deal in building your own solution.

   You may also find that vendors are heading in the wrong direction with the technology and feel confident that your organization can build a superior system.

10. *What are your competitors doing?* Determine if your competitors are buying or building this technology. If they are buying it, find out who they are buying it from. If they aren't focusing significant capital in this technology, you can either do the same or try to implement technology that can differentiate you from them. If your competitors bought their technology, you may learn a lot about their technology during the Research phase of a technology acquisition process just by evaluating their vendor's product.

    It is not always an easy task find out which vendor's technology your competitors are using. One way that has been effective for me in the past is to look at their job postings to see what technology they are hiring developers for. You can also check their press releases and the vendors' press releases to see if there were any announcements regarding their selection of a vendor for a given technology. If all else fails, ask the vendors or industry consultants. If they are not tied to any confidentiality agreements with your competitors, they will usually share this information.

    Table 2.2 summarizes the preceding 10 questions and is provided as a quick reference.

Table 2-2: Ten Questions for the Buy versus Build Decision

Question	Description
Will the technology provide a competitive advantage?	Are you willing to commit your resources to this effort or is there a better use of their time?
Can you build it?	Do your resources have the capability and successful track record for this type of development project?
Can you build it for less money?	Can you build it for less money than the vendors are currently charging?
Can you build it fast enough?	Can you build it fast enough to meet the business need? The ROI for the solution may be great enough to justify buying instead of building.
Is this the best use for your internal technology resources?	Is there another initiative that would be a better use of your internal resources?
Are you willing to take on the risk of building it yourself?	Can you afford to take the risk of project delays and cost overruns?
Can you provide adequate support and upgrades after implementation?	Can you adequately support the solution? Additionally, can you commit to providing regular updates after the initial implementation?
Is building technology part of your core competency?	Do you want to be in the business of building technology? What is the core competency of the company?
Where is the technology headed in the future?	Are you sure that the vendors are not working on new technologies that you could not possibly build yourself?
What are your competitors doing?	Are your competitors buying or building this technology? Is there a competitive advantage in taking a different approach?

Answering the preceding 10 questions will help you decide whether to buy or build the solution to address your business need. This will not be an easy decision, but it is critical that you make a wise decision. I have been involved in projects where the decision to build proved to be the wrong one, which cost the company tens of millions of dollars and years in wasted effort. On the other hand, I have also seen a company's decision to buy technology prove more costly than it would have been to build it themselves.

It is also very common for a project to consist of a combination of buying and building a technology. For example, you may buy architecture components, such as databases, network operating systems, and hardware, and then build the applications that use these architecture components. Remember to answer the previous 10 questions for each purchase to ensure that you are buying or building for the right reasons.

The decision to buy or build is usually made by the project sponsor. Regardless of who makes the decision, the decision maker will usually make a preliminary decision and then require that a business case be developed before making the final decision. The business case will provide the detailed analysis to ensure that the solution is justified. Many assumptions will need to be made, such as the cost of buying the solution. It is very important to document all of the assumptions that are made in developing a business case for a given solution. This will help the decision maker understand the risks that are involved in pursuing the solution.

Once the project sponsor is satisfied with the contents of the business case, he will usually take it to the executive sponsors for final approval. In some organizations, the executive sponsors make the final decision to proceed with a solution. In others, this decision is delegated to the project sponsor.

For the purposes of this book, let's assume that you will be buying a solution. The remainder of the book will provide a framework for managing a technology acquisition project.

Identifying and Contacting Vendors

Another key activity in the Planning phase is to identify which vendors you will include in the technology acquisition. Although this sounds pretty easy, it's not always as easy as you might imagine. Some technologies have hundreds of vendors; others only have a few.

There are many ways to identify prospective vendors. The following list contains some of the common ways to identify possible vendors:

- *Industry experts:* There may be consulting firms that specialize in the industry. Hiring a consultant to provide expertise during the acquisition process can save you time by letting you know which vendors definitely cannot meet your requirements and which ones can.
- *Research firms:* There are many firms that specialize in researching industries, markets, companies, and technologies. They sell this research to other companies. Although this information can be expensive initially, it can save

you money in the long run if it saves you the time and money associated with evaluating a vendor that doesn't even come close to meeting your requirements.

- *Word of mouth:* You can find out who the players are in the industry by calling your network of contacts and asking them to recommend vendors that you should include in your research. Although this information is usually very subjective, it can be helpful in identifying prospective vendors.
- *Past experience:* Have you or any other members of your company worked with this technology in the past? Try to find others in your company who have been through a technology acquisition for this particular technology at a previous company. They will be able to provide you with some valuable insight in identifying prospective vendors.
- *Magazine articles:* Industry trade magazines often evaluate specific technologies. Although you shouldn't assume that these articles are objective and fair, they can help you identify the players that should be considered in your technology acquisition project.
- *Internet:* The Internet can also be a valuable tool for identifying prospective vendors. Companies that have a viable, appropriate technology will have a Web site with information about their company, products, services, and customers. You can also find online industry magazines and research firms that have a significant amount of free information available.
- *Other Companies:* If you have contacts from other companies that have recently been through the process of acquiring the same technology, you might ask them which vendors they included in their acquisition process.

Use as many avenues as you reasonably can in a short period of time to identify the list of vendors that should be included in your technology acquisition process. The key is to identify all vendors that can meet your requirements while keeping the list down to a manageable number.

TIPS: NUMBER OF VENDORS

✔ You should identify a manageable list of prospective vendors without limiting yourself or omitting a vendor that might be the best vendor for your requirements. In my experience, more than 10 is too many, and less than

three is too few. My preference is to start with six and after proposals are returned, narrow the list to three.

✔ Three is the minimum number of vendors that you should enter into the Evaluation and Negotiation phases. If you end up eliminating a vendor from the final three, you never want to put yourself in a situation where there is only one vendor remaining. This will eliminate your leverage if the remaining vendor finds out it is the only choice you have.

There are times when it will be impossible to find a vendor with technology that can meet all of your requirements. In this case, you might need to look at multiple vendors working in partnerships. For example, you might find that there are vendors that can develop the technology but are too small to implement the solution. In this situation, you may decide to approach some of the larger, more capable consulting firms to take the lead and present a total solution including one or more of their partner companies. The important thing when taking this approach is to make it clear who is in the lead role and not let the partner companies bypass the lead consulting firm to deal with you directly.

As soon as you have a list of prospective vendors that will be included in the process, you need to start contacting them to find out if they are interested in participating in the process. The initial contact is typically made with a phone call or letter expressing an interest to involve them in a technology acquisition process. I prefer sending a letter addressed to the head of the sales organization. This allows the vendor to either decline quickly or assign the sales effort to the proper account manager. The initial letter is called an LOI.

You may also decide to send what is called a Request for Information (RFI) along with the LOI. The RFI is a formal request similar to an RFP, but with less obligation to buy. This document can be a list of knock-out criteria that will help eliminate vendors that do not meet your most critical requirements. The RFI is a good tool to use when you have a large number of prospective vendors. It allows you to trim down the list while providing a fair chance for all vendors to participate. The RFI can also be used solely to gather information.

The purpose of the LOI is to state your intent to purchase the technology from the vendor. You should also request an LOI from the vendor stating its intent to participate in the acquisition process. The LOI usually includes the following information:

- A brief introduction of who you are and the purpose of the letter
- A statement that you are beginning a technology acquisition process and are inquiring to see if the vendor is interested in competing for your business
- A high-level outline of the business need and desired solution

You should consider sending a Non-Disclosure Agreement (NDA) to each vendor. The NDA is also commonly referred to as a confidentiality agreement. The purpose of an NDA is to protect both companies from disclosing confidential information. Be sure to send an NDA to all vendors before providing them with any confidential information about your company. If they are unwilling to sign an NDA, you need to work with the executive management and legal staff to determine whether to assume the risks associated with sharing confidential information without legal protection.

An NDA is a legal document, so you should have your company's legal representative develop and approve it. An NDA includes legal terminology that, in effect, states that the vendor cannot share information about your company to other companies without your written permission. It may also be written as a two-way NDA, meaning that you cannot share information about the vendor to other companies either. Regardless of which type of NDA your legal staff chooses, it's a good idea to have a valid NDA to protect your company from confidentiality issues.

The following checklist is provided as an aid to help you complete the tasks necessary for the Planning process.

PLANNING PROCESS CHECKLIST

- ❑ *Requirements have been clearly defined and documented by the project team.*
- ❑ *Requirements have been prioritized and documented.*
- ❑ *A project plan has been developed.*
- ❑ *All potential solutions have been identified and evaluated.*
- ❑ *A solution has been selected.*
- ❑ *The buy versus build decision has been made.*
- ❑ *The initial list of vendors is defined.*
- ❑ *Vendors have been contacted and have signed Non-Disclosure Agreements.*

THE PROJECT TEAM

What is the ideal number of resources for a technology acquisition project team? This all depends on the size and scope of your organization and the technology being acquired. For example, acquiring an accounting system for a multibillion dollar company would require more resources than acquiring an accounting system for a small law firm with 30 employees.

Although the number of resources required varies, usually the ideal team consists of six to eight people. This is a manageable number of resources and enough to provide adequate representation. If you have more than eight people on a team, it can be difficult to manage interactions with the vendors, and it can be even more difficult to reach a decision. Although I recommend no more than eight, you should have enough people to adequately represent each stakeholder business organization. You will also need to account for any third-party resources, such as consultants, contractors, or external research organizations.

Be sure to include planning for the physical resource requirements of your project. For example, will you need to reserve any off-site locations for meetings? Will you be traveling to visit vendors or their customers? Take the time to plan ahead for all resources and costs involved in the technology acquisition. This is an important part of project management and should be included in resource planning.

Project Team Roles

Decide on who you should include on your project team. The members you choose depends on many variables (for example, size of project, number of stakeholders, type of technology, and so on). The following list contains some of the key roles that must be represented:

- *Project manager:* Project managers come from many different backgrounds. It's pretty safe to say that most people have managed some kind of project at some time in their professional lives. Although managing a project does not require any specific skill set, an understanding of project management fundamentals will significantly improve the probability of success. Along with an understanding of the fundamentals, experience managing similar projects is a big plus. For those serious about project management as a profession, the fundamentals and experience of applying those fundamentals are essential. In general, some of the important qualities desired in a project manager are leadership, organization, motivation, negotiation, and communication skills.

The role of the project manager is to lead and manage a team of resources in an effort to accomplish the objectives of the project. Project managers are primarily focused on planning, executing, and controlling the activities required to accomplish the project objectives. Managing a technology acquisition will take the majority of a project manager's time.

- *Business subject matter expert (SME):* A business SME is someone selected by a stakeholder business organization to represent its requirements on the project team. This is usually a person who has been in the business unit for an extended period of time and is considered very knowledgeable about all aspects of the work that is performed in the business unit.

  The role of the business SME is to represent his or her business organization's requirements on the project team. A technology acquisition will most likely require about 25 to 50 percent of the business SME's time throughout the Research and Evaluation phases.

- *Technology analyst:* Technology analysts consist of technical experts from many different areas within an IT organization. They can be systems analysts, programmer analysts, data analysts, application architects, data architects, network communication architects, or can hold many of the other titles within an IT organization.

  The role of the technology analyst is to define technology requirements and evaluate each vendor's ability to meet those requirements. A technology acquisition will most likely require about 25 to 50 percent of the technology analyst's time throughout the Research and Evaluation phases.

  Be sure to have representation of each area within your IT organization. One person may represent more than one area, but it is essential that all areas be covered. At a minimum, I recommend you have expertise in application development, database, network, and telecommunication technologies. If you have to choose one, select a technology architecture analyst who can ensure that the vendor's technology has a solid architecture to build upon.

- *Contract administrator:* The contract administrator specializes in working with vendors and the company's legal department to create and maintain contract documentation. This position can reside within a single centralized organization or be spread out within each organization.

  The role of the contract administrator is to ensure that all contracts meet quality standards, track contract additions and changes, and facilitate

contract negotiations to ensure that the contracts represent the best interests of the organization. The Negotiation phase only requires about 25 percent of the contract administrator's time.

Make sure you have your contract administrator assigned as early as possible. In addition, ensure that he has reserved adequate time on his schedule to participate in the Negotiation phase. I have had contract administrators hold up negotiations for weeks because they were involved in too many contract negotiations at one time. Take the time early on to secure his time and keep this from happening in your negotiation.

- *Legal representative:* Legal representation consists of lawyers who represent your company in legal matters. They can be internal lawyers or contracted external lawyers.

  The role of the legal representative is to ensure that the contracts are sufficient to establish the terms of the deal and minimize the risk to the organization. Because legal advice is expensive, you will want to minimize the use of these resources.

  Make sure you reserve the legal representative's time as early as possible and plan the legal contract reviews well in advance. This will allow the representative to adjust his schedule and reduce the chance of delays.

On some projects, you will find a large project team with several people playing each of the roles previously listed. In other projects, resource limitations will require people to play multiple roles. Table 2-3 illustrates some of the roles that can be combined and when it is appropriate to combine these roles.

Identifying Good Resources

The best project team member for a technology acquisition is one who is open-minded, objective, respected by his peers, professional, knowledgeable, and easy to get along with. An explanation of why each of these traits is important follows.

It is very likely that the business SMEs will have used one of the technologies being evaluated in your acquisition process. Find out how they feel about this technology and vendor. If they have a strong opinion either way, they might not be able to keep an open mind when evaluating other vendors. I once had a business SME on one of my technology acquisitions who had a strong relationship with the vendor that we had been using for the previous three years. He was very adamant that we were wasting our time and that the current vendor was the best in the market.

Table 2-3: Combining Project Team Roles

Roles Combined	When Appropriate
All roles combined	Small company atmosphere Short timeframe Extremely limited resources Application with little impact to company's success
Project Manager and Business SME	Single stakeholder organization will use technology
Project Manager and Technology Analyst	Primarily technology architecture project Multiple-stakeholder organizations will use technology
Contract Administrator and any other role	When resources are limited Contract Administrator role doesn't exist within company

I asked him if he could give the other vendors a fair chance. He said he would, but was sure that he was right. By the end of the Evaluation phase, he had come full circle and was emphasizing the downsides of the current vendor and promoting going with another vendor. Fortunately, he didn't let his ego get in the way of doing what was right for the company. Although I was lucky, you would be wise to proceed with caution when faced with a business SME that is not very open-minded.

Can the team members be objective? Remember that one of the primary reasons that you are conducting a thorough technology acquisition process is to objectify a subjective decision as much as possible. Ask questions to find out if your team members make decisions objectively or subjectively. A good example of the type of question to ask is what kind of car they last purchased and why they chose that car over other cars. If they based their decision on the feeling it gave them or what other people have told them, beware. They will probably base their decisions on the same criteria in a technology acquisition. On the other hand, if they start rattling off miles per gallon, safety ratings, horsepower, or other figures that played in their decision, you have some winners. Make sure you keep them on your project team.

Do their peers respect them? Because they will be representing their departments in the decision-making process, be sure that their departments will respect their decisions. Having respected team members support a decision will help others support the decision as well. They are the ones who will have to go back to their

business organizations after the technology is selected and help sell the decision to the staff. If you select someone who is not respected by his or her peers, you might run into a lot of resistance to the final decision.

During the technology acquisition process, the project team will be representing your company with many vendors and their customers. The last thing you want to do is embarrass your company with an obnoxious or unprofessional team member (see the following case study for an example). It is not uncommon for a vendor to host your project team for lunch or dinner at some time during the acquisition process. I recommend declining these social meetings until after a vendor is selected and contracts are signed. The exception is when you are traveling with the vendor to a customer site or visiting the vendor's headquarters. In this case, it is appropriate for the vendor to take the project team out on a social function. The following case study illustrates the impact that an unprofessional project team member can have on the relationship with the vendors.

Case Study

UNPROFESSIONAL TEAM MEMBERS

On one of Jack's previous acquisition projects, a vendor had taken a few members of the project team out to dinner. After a few drinks, a couple of his team members started bashing XYZ Corporation and complaining about some of the problems within the Human Resources department. Jack was embarrassed and thought it was very unprofessional to trash the company in front of someone outside the company. Jack's apologies were accepted, but he was sure that they made a lasting impression with the vendor about what type of company they were to do business with.

LESSON LEARNED

Minimize unprofessionalism by setting the ground rules for the project team at the beginning of the project.

The project team members are given the responsibility of representing their organization in the technology acquisition. In order to represent their organization adequately, it is essential that they be considered the most knowledgeable people in their organization. Make sure that your team members are seasoned and considered

experts within their competency. This will ensure that the organization's requirements are represented and prioritized correctly in the decision-making process.

The last trait to look for in project team members is being easy to get along with. You will be spending days cooped up in conference rooms with these people for several months. Although it is not critical that you get along with team members, it will enable you to focus on the task at hand and not have to deal with challenging personalities.

Take the time to interview the project team members individually to ensure that they will enhance and not hinder the technology acquisition process. You, and your company, will be relying on these people in order to be successful.

Undesirable Project Team Members

Characteristics of incompetent project team members have the opposite character traits of those described previously. Watch out for project team members who are unreliable, unmotivated, untrustworthy, or who lack integrity.

If you can't rely on certain project team members, you will constantly be checking on them to make sure that they complete their tasks, show up on time, and are prepared. This will take your attention away from managing the project effectively. Make sure you have team members who you can count on to get the job done.

You are not a cheerleader. Your job is not to motivate the project team to try hard. Because of the critical nature of the decision that your project team is faced with, you want the best people in the organization on the project team. They should be able to motivate themselves. They have an enormous opportunity for exposure on the project and a great responsibility to their companies and their peers. If they don't want to seize this opportunity, find others who do.

Can you trust the project team member? This is difficult to judge if you don't have any background with a particular person. Ask around and find out what other managers who work with this person think of his or her trustworthiness. This person will have the ability to impact the final decision. Don't hand out this privilege to someone who has a poor track record.

Last, and most important in choosing team members, determine if they have integrity. If you can count on members to be honest and do the right thing, they will put what is right for the company before what is right for them.

Now that you have a list of character traits, those to look for and those to look out for, to help you select your project team members, make sure you do a thorough

job in identifying the right people for your project team. Trust me, it will pay dividends in the long run when your project is a smashing success.

Securing Resources

There are two different methods for securing resources for your project team. You can either let the manager of each stakeholder business organization select his representative, or you can go out and recruit him yourself.

The value of having the manager of the stakeholder organization select a representative is obvious. A manager knows who his best resources are and who can represent his business effectively. At the same time, some managers might give you a poor resource because they want to keep their best people close to them where their benefits are most visible.

One way to resolve this problem is to meet with the managers of the stakeholder organizations and review your business case and project charter. Help them understand the importance of the acquisition and how it will improve their companies. If they know that there will be a significant impact to their operations, they will allocate a better resource to your team. If the impact is not significant, they are right to not give you their best resource.

Once you have identified your resources, have interviewed them, and are ready to move forward, take the time to meet with their direct managers. The goal of these meetings is to secure a percentage of your resources' time. If you don't do this early in the process, you might end up with resources being pulled away from your project. Be sure to get a time commitment from each of them up front to minimize the risk of losing valuable resource time.

Defining Reporting Relationships and Authority

While meeting with the team members' direct managers, define the reporting relationship and authority over them. Your best case is to have your resources report to you directly 100 percent of the time during the technology acquisition. However, as you probably know, this is an unlikely scenario. There is a lot of downtime during a technology acquisition. There will be times when you are waiting for a vendor, and there is no work to be done. For this reason, it is best to get 50 percent of your resources' time.

Once you have a commitment from their direct managers for 50 percent of their time, discuss the type of work team members will be doing on your project and

what you expect of them. Also, ask if you can contribute to their annual review. If you are using them for 50 percent of their time for six months, you should try to get 25 percent of their annual review allocated to you. Project team members are sometimes reluctant to spend time away from their business organizations because they feel that their direct managers will not have any exposure to their work and, as a result, will bypass them for new opportunities or promotions. If you have a percentage of their review, they will be more willing to participate and put in more effort.

Defining and Communicating Performance Expectations

Once you have identified your resources, have secured their time, and have established their reporting relationships, it's time to define and communicate performance expectations. It is difficult for people to read your mind so do your best to capture your expectations of them on paper at the beginning of the project. Define the work to be completed, the amount of time that you expect them to complete it in, and the manner in which you expect them to conduct themselves. For example, you might state that you expect them to clearly define and prioritize their organization's functional requirements of the technology within the next two weeks, and you expect them to be on time to all meetings.

Resource Development Planning

A technology acquisition is a great opportunity for team members to gain exposure and become more educated in the process. When meeting with their direct managers, find out what their current career path is. Also, ask the person directly during your initial meetings. This will help you identify opportunities to develop your team members while they are contributing to the objectives of the project.

Let's suppose that one of your project team resources is pursuing a management opportunity within his organization. You might provide this person with the opportunity to display his management skills to his organization by getting him assigned as the person to implement the technology within his organization after the technology acquisition is complete. This will create a win-win situation for you and the team member. He will be more committed to the project if he knows that it will lead to an opportunity to display his management capabilities to his organization.

Defining a resource development plan is good for the company, good for the team member, and good for your project. Take the time to consider how you can develop your resources during the technology acquisition project.

It is not a bad idea to give your project team members a grace period to evaluate the project and determine if they want to be on the team. Express the importance of getting their commitment to stay on the team for the duration of the project. It can be a major setback to have an SME, representing a key stakeholder, leave the team late in the Research phase. Because you can't go back and start over, a new person will not be in a position to pick up where the other left off. Make sure you have a commitment from both the person and his direct manager to stay with the project before you start the Research phase.

The Project Kick-Off

The project kick-off meeting is very important to the success of the technology acquisition project. This is the first opportunity for the project team members to come together and learn about the initiative that they are about to participate in. You need to sell the importance of the project to the team in this meeting. One very effective way to accomplish this is to have the project sponsor and someone from the executive management team present their vision of the project's end result. This will let the project team members know how important the project is and help them understand the driving forces behind the effort. The following items should be part of the agenda for the project kick-off meeting:

- *Introductions:* Introduce all meeting attendees and summarize the purpose and agenda for the meeting.
- *Summary of business need:* Provide an overview of the business need that initiated the project. Make sure all questions are answered before continuing with the solution.
- *Summary of the solution:* Provide an overview of the solution that is proposed to address the business need.
- *Review of the project charter:* Provide an overview of the project charter.
- *Project sponsor presentation:* Have the project sponsor introduce himself. He should then proceed to communicate the vision for the project and what it means to the company. Although this might be repetitive of the previous agenda items, the project team needs to hear this information from the management team. This will reinforce the need and increase the perceived importance of the project in the project team's mind.

- *Executive management presentation:* Have executive management present the project as well. Although this is not required, it can be a bonus in conveying the importance of the project to the team members.

A polished and prepared project kick-off meeting will start the project off in the right direction and set a precedence of high standards for the effort.