Technology Buyers Guide
2016 Edition

Proven processes, tools and techniques that will
help ensure you make the correct technology buying decision

Authors

Mike Whitehouse - CEO, Member Evolution

Mike has over 30 years of experience in the IT industry having founded 4 successful internet businesses. Mike started Aspedia in 2004, which has since grown to be one of the leading online development and marketing companies in Australia. He has won numerous national awards including 2004 & 2005 National Dealer of the Year - Fujitsu VPG.

In the past 6 years Mike has worked nearly exclusively in the NFP sector supporting organisations as they adapt their business processes to capitalise of eBusiness, CRM and Cloud 'SaaS' technologies.

e: mikew@memberevolution.com   *m:+61 418 877 546*

Alan Kramer - Director, DGS Global

Alan has worked for global organisations such as Gartner and PWC establishing strategies and delivering business driven IT solutions for over 30 years. While at PWC, as CIO for their Global Tax Division, Alan developed information and business process strategies to respond to both global and local demands.

Today Alan supports NFP Associations, multinational enterprise and middle market firms delivering Program and Project Management Services, Business Analysis, Information Management, Strategic IT Consulting and Business Change Consulting.

e: alan@dgsglobal.com.au   *m:+61 408 059 344*

Eleanor Meech - Aspedia, Senior Online Strategist

Eleanor first gained qualifications in Journalism before graduating from the University of Chichester in the UK with honours in Media Studies and Media Production majoring in Writing. She started her career with Aspedia as a copywriter before gaining Google Qualification.

Eleanor is now recognised as an expert in SEO, digital marketing strategies and campaign management.

e: elm@aspedia.net

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1. Introduction/Abstract

Today more than ever, technology is a key component of all successful businesses. Selecting a product which is the correct fit for your organisation can be an enormous challenge due to the plethora of solutions available and the mix of features they all offer.

Identifying that you have a need is just the first step in a much bigger journey. The process of determining what you actually need, not what your key stakeholders, staff or potential suppliers say that you need, is possibly the most important step in this journey of discovery. This is closely followed by selecting a project team with proven skills and experience delivering 'like' solutions and the project receiving 100% support from your senior management team.

Project Success Factors

Contrary to popular belief the product you select is not the most important factor in the success of your project. The primary risks fall into four main categories and these should be managed throughout the term of the project to ensure success.

The factors are:

Number 1 - Your entire company MUST be 100% committed

Your Senior Management Team must be engaged throughout every stage of the project with the Sponsor being a C-Level Manager (preferably the CEO). All your staff must feel included and understand the strategic benefits to be delivered by a successful project, and staff resistance to change must be carefully managed.

Number 2 - You MUST engage a Professional Project Manager

Probably the most underrated person in any project is the Project Manager but it is this single person who ensures everyone is on the same page, communication is clear and all key aspects of the project are documented. The best Project Manager has previous experience with your chosen vendor and understands your business environment. They play a vital role in ensuring there is no miscommunication, goals and business requirements are understood, and progress status updates are regularly shared.

Number 3 - You MUST select a Vendor to match your business culture

The Vendor must be a good cultural fit for your business as good communication is key to the project's success so it is crucial that a strong relationship is forged between all stakeholders. The vendor must also understand your strategic goals and be committed to delivering a project to meet these.

Number 4 - You MUST select a Product that requires minimal customisation

The Product must be able to deliver all your Priority 1 Requirements with no (or very little) customisation as projects that require heavy customisation are up to 10 times more likely to fail. The product you select should also be able to deliver the majority of your Priority 2 Requirements with minimal customisation and should be flexible to deliver upon your Priority 3 and three to five year future needs. The chosen product should also be easy to learn which will minimise staff resistance and simplify the onboarding process for new staff members.

Ensuring Successful Project Delivery

How do you choose the best solution for your business and one that will provide you with an excellent ROI (return on investment)? We believe that the four P's are crucial to selecting the right solution for your business.

These are:

People

The key asset of all businesses is the people and this is especially true in the member management space. Your business has been built on the foundation of its people, from your board to your staff, members and partners. When choosing a technology solution it is important to factor in the needs of all people involved in your business and taking into account their differing requirements. You must select your project team from this extended community taking into account their ability to balance the best interests of the business with their personal agendas. Your team must be able to balance the needs of all interest groups paying specific attention to how they figure in your strategic plan. Should you lack any specific skill set then this is your opportunity to source these from external resources.

Process

Once you have selected the right team you must now focus on documenting your existing processes as well as planning process improvements that achieve your core goals. Your goals may include improving the efficiency of your business processes, increasing your member value proposition and driving member engagement to a new level. By completing a Gap Analysis you can quickly determine your key focus areas which provide the best bang for your buck. Keep in mind that technology is great for automating repetitive tasks but is not so good at making critical decisions. So it's best to always place a human approval or validation process in any complex or strategically important process. It is not easy to win over new members or sponsors so it's always best to have a human double check these key processes to ensure the maximum level of satisfaction is maintained. Selecting a product which can support your unique processes and a vendor which understands the importance to your business is also crucial to your projects success.

Product

Product selection is key to getting the best long term result for your business. The market is bursting with products to choose from, however, there will always be one product that will fit best by supporting your current business processes and financial situation whilst supporting your strategic direction and goals. It is just a matter of matching a product to your needs. Right?

Performance

There are several core attributes of your chosen solution which affect its performance within your business. This can include staff buy-in, data integrity, system accuracy, reliability, speed and user friendliness. These attributes directly affect the efficiency of your team to perform their duties and the overall satisfaction of all users of the system. Thus increasing the performance of all processes related to these factors will positively impact the success of the project and your business.

Project Risk Factors

The Project Management Institute (www.pmi.org) who are the world's leading not-for-profit professional membership association for the project, program and portfolio management profession rate the critical project success factors as:

Talent	Staffing the team with appropriately skilled people
Project Management	Taking the time to create a realistic implementation plan
Executive Sponsorship	Ensuring top-level management support for the project
Focus on Benefits	Clearly defining and measuring expected project benefits
Change Management	Effectively managing change associated with the project

As you can see in the chart below the primary risk factors in all projects are factors relating to communications, planning, scheduling and resourcing. This is why the engagement of a professional Project Manager is crucial as they have the experience and overall business acumen which guide you to a successful outcome.

Major Causes of Project Failure

Cause	Percentage
Bad communications between relevant parties	57%
Lack of planning of scheduling, resources and activities	39%
No quality control	35%
Milestones not being met	34%
Inadequate co-ordination of resources	29%
Costs getting out of hand	26%
Mismanagement of progress	20%
Overall poor management	17%
Supplier skills overstretched	13%
Supplier under-resourced	12%
Insufficient measurable outputs	11%
Supplier people not consistent	4%

McKinsey & Company "Value Assurance"

"McKinsey suggest in their Oct 2012 Report that after surveying IT executives they found the key to project success lies in mastering four broad areas, which combined make up a methodology for large-scale IT projects that they call "value assurance".

Whilst this methodology specifically relates to projects with a budget greater than $15million smaller projects could equally increase their chance of success by following the four disciplines which include:

- Managing stakeholders rather than budgets and schedules

- Securing critical internal and external talent

- Building effective and aligned teams

- Excelling at core project-management practices, such as short delivery cycles and rigorous quality checks

Overarching goal is project success

Categories	Managing strategy and stakeholders	Mastering technology and content	Building team and capabilities	Excelling at project-management practices
Project success factors	• Clear objectives • Well-defined business case • Alignment of major stakeholders • Minimized, stable project scope • Robust vendor contracts with clear responsibilities • Executive support	• Standardized, proven software technology • User involvement to shape solution	• Experienced project manager • Qualified and motivated project team • Sustainable mix of internal and external resources	• Reliable estimates and plans, appropriate transparency about project status • Proven methodologies and tools

Project Team Maturity Increases Risk

Particularly evident in smaller organisations is a lower maturity in their project management experience which dramatically impacts their chance of meeting the core project KPIs of timeline, budget and scope.

Reported Organizational Project Management Maturity Level	% of on-time projects	% of on-budget projects	% of projects meeting original goals and business intent
High	67%	68%	73%
Medium	55%	58%	67%
Low	39%	44%	53%

2. Forming the Project Team

The first step in choosing a new technology solution for your organisation is to form an internal project team that will run the selection process from start to finish.

Selecting the (right) team members

You should consider including the following leaders (or their equivalent in your organisation) in the team:

- CEO/COO
- Senior Management
- Member Manager
- CFO
- Marketing/ Communications Manager(s)
- Events Manager
- IT Manager

Involving these high level decision makers in your project team is essential, as the lack of senior management commitment is one of the leading causes of project failure.

It is also valuable to include two to three key staff members who will be using the new system on a daily basis. They will have the best operational perspective, and can help ensure that the needs of their colleagues are represented in the selection process. These staff members will also be valuable contributors to the change management process during implementation.

Some staff members may feel left out of the decision making if they are not involved, however, not everyone can be involved in the entire process. Assure all staff members that they will be consulted on the needs pertaining to their individual areas of expertise and responsibility. And then involve them in team meetings, surveys, project briefing sessions and other collaborative processes that are used to gather the business requirements for the new solution.

Filling Key Team Roles

Once selected **everyone** on the team must understand their role and all deliverables they are responsible for. This ensures the project is not held back due to issues that could have been outlined from the very beginning. Two of the most important project roles are the the Project Sponsor and the Project Manager.

The Project Sponsor

The Project Sponsor will be the direct representative of the senior management team for your project. The Sponsor should report directly to the CEO (in smaller Organisations) or one of the CEO's direct reports (typically the GM for Membership or the COO).

The Sponsor is accountable for:

- setting specific goals and timeframes for the project
- ensuring the project is delivered on time and on budget
- selecting a Project Manager and ensuring availability of the necessary time and resources to deliver the day to day project activities
- keeping the senior leadership team engaged and actively supporting the project
- aligning the activities and outcomes of the project to your organisation's strategic objectives and strategic business plan

When appointing a Sponsor, be sure that they believe in the purpose and expected outcomes of the project and are keen to see the project succeed.

The Project Manager

The Project Manager (PM) is possibly the most important person in any project as they are responsible for the day to day project delivery and ensuring your internal team meet their responsibilities.

The PM is accountable for:

- coordinating the team activities and deliverables
- liaising with key internal stakeholders and technology solution providers
- gathering and prioritising project requirements from staff all across your organisation
- organising and attending product demonstrations
- analysing the findings of research and vendor discussions
- reporting to decisions makers
- AND, most importantly, **driving the project forward and ensuring that the internal team meet their responsibilities**.

The most important aspect when appointing a Project Manager is to ensure they have the necessary business, technology and communication skills to manage a project of this size, as well as the time available to meet their project specific responsibilities.

Specific attributes to consider when selecting your Project Manager include:

- PROVEN project management experience is essential
- excellent communication skills at Board, CEO and management levels
- excellent timekeeping and organisational skills
- a strong understanding of general business principles and of your operational processes
- strong team leadership skills
- respect of their peers and management
- a strong understanding of technology systems
- ability to cope with multiple priorities and work across multiple, different roles.

Key considerations when appointing an internal resource as Project Manager

If you utilise an internal resource be sure when appointing your Project Manager that they understand the importance of the role and the strategic importance of getting it right the first time around. In addition, they MUST be willing to put in the time and effort it takes to ensure the project runs smoothly and that team members and all key stakeholders are kept informed. Your Sponsor must make sure the Project Manager has sufficient time freed up throughout the entire project to be successful in their role.

External Partner Selection

Your organisation may not have all the skills and experience, or the necessary time, to complete your project. In this case, you may want to appoint an external specialist to fill these gaps.

It is important that the consultant is not just a technologist. They need to have business process skills and importantly experience working with associations or member based organisations as the business dynamics and culture are generally different to that of commercial for-profit organisations.

Skills that external consultants or specialists may help with on your project include:

- Project management
- Requirements gathering and analysis
- Business process improvement
- Product knowledge and experience on specific products you are considering
- Technology expertise
- Vendor relationship management and contracting
- User experience design
- Marketing and promotion technologies
- Governance
- Specialist expertise in process and technology for membership organisations

You can engage consultants for the entire scope of your project, or just for the selected disciplines where your team needs additional expertise.

There are many benefits to hiring an external consultant, including valuable market knowledge, experience with the technology you are looking at purchasing and industry contacts that can lead you in the right direction. Consultants with experience in your market segment can ensure you have clear business objectives and outcomes, a clear business case, and that you select not just the best technology but the best technology for your particular needs and business goals.

However, there are also downsides to hiring external consultants such as incurring additional costs that may not be necessary, and the chance of project derailment if you choose the wrong partner. You may disagree with their process, or the path they are pushing you down. Some consultants have been known to encourage complexity in projects they manage as this increases their billable hours so we always recommend you set a clear scope of work and outline their deliverables.

To get the best experience with consultants, and reduce the downsides noted above, here are some good practices to follow:

- Check multiple references from other organisation clients - and if possible from your personal network - to learn about their experience with the consultant
- Set out clear written expectations of what the consultant will do, the processes to be followed, and what specific deliverables you will get from them
- If possible set a fixed fee arrangement paid on milestone achievement, in other words incent them to deliver on time and on budget
- If possible engage directly with your consultant so they are committed to the success of your project. Selecting an organisation and being delegated a junior consultant who will work on your project can cause significant issues should they leave before project completion, or not have the experience you require
- Keep the communication lines open, and raise any concerns early, and often, with your consultants so that these can be addressed before they become bigger issues

This external partner selection process is a crucial step that requires you to commit both time and patience, as choosing the correct project partners will supplement your internal skills providing a wealth of 'best practice' experience in areas where your business is lacking.

In many case you will find experience professionals who are skilled in a range of the above disciplines. Whilst word of mouth referrals are always best, you can also consult relevant industry bodies for recommendations such as:

- Australian Institute of Project Management (AIPM)
- Institute of Management Consultants (IMC)

3. Identifying the Business Requirements

Identifying the right needs is crucial before you begin looking at technology solutions and vendors. Often called Business Requirements, the next step after forming your project team is to figure out, and prioritise, exactly what functionality you need the new software to do so that it solves your current challenges, AND will enable your Organisation's strategic plan over the next three to five years.

Developing the business requirements consists of the following steps for the project team:

- Confirm the overall objectives and outcomes for the new technology

- Survey the entire staff to understand their current needs, challenges, and recommendations for improvements from the new technology

- Build an initial requirements list based on staff and project team input

- Assess the priority of each requirement based on the frequency, impact, and cost to your organisation

- Define the future state – how should things work with the new technology (not just on day 1, but over the coming years)

- Create the gap analysis

- Finalise the business requirements and priority

When these steps are done, you'll be ready to start looking at vendors.

Confirm the Overall Objectives and Outcomes

Projects get in to trouble when they don't have a clear set of goals and expectations of what the end result will be. In fact, it becomes easier to pick the **wrong** technology than the right technology for your organisation if you don't have a clear written view of what the end outcome will be – and that outcome is agreed and understood by the entire project team.

The Project Manager and Sponsor normally draft the objectives for the project, as well as the expected high level benefits. Some of these objectives will be strategic, others operational. Typical objectives include:

- Improve member experience and retention

- Increase the automation of routine work processes and reduce error

- Create a single source of truth, and eliminate duplicate data and unnecessary reconciliation processes

- Free up valuable staff time to focus more on member services

- Reduce operating costs

These are just some examples. Consult your strategic plan and business plan for more ideas.

The project team will then review, add to and refine the objectives, and use these to guide the rest of the business requirements process

Conduct a Staff Needs Survey

It is important you involve your staff in the decision making process, starting with the business requirements definition. While you don't have to involve every staff member in all meetings related to the project, as this would prove a logistical nightmare, it is important to get their 'buy in' as this builds their individual commitment to the project success. One way to give all staff a chance to put forward their needs and ideas on the new technology is to implement a staff needs survey.

Include Every Staff Member

It is imperative to ensure every staff member's role and daily tasks are taken into consideration when deciding which technologies to implement. Remember, they are the driving force of your day-to-day operational activities and their input can provide considerable insight to the best methods to streamline businesses processes.

The staff member survey can be handled easily and quickly with little cost and disruption to normal operations by creating a Staff Needs Survey to gather each staff member's input for analysis. This allows the project manager and their project team to successfully include or consider everyone when selecting and deploying the new technology and the disruption to normal work routines is minimal.

Asking the Right Questions

Remember staff members have their own individual skills and understandings of technology so it is important to remember the following when writing your survey:

- Keep it casual. Don't use language that's stuffy or overly technical. Keep your employee survey questions conversational and easily understood.

- Make it anonymous. Be sure your employees know their survey answers are 100% anonymous. In order to gain the most insight, you'll want to communicate that their feedback is completely private. But also invite people to include their names, or to contact the project team if they want to give further input.

- Ask open ended questions, and ask for examples and details whenever possible. Avoid Yes/No, or multiple choice questions when possible.

- Ask them to focus on the areas that are most important to them, and that most impact on their daily working lives.

If you would like an Example Client Survey feel free to email this link and we will forward our template to you.

Keep in mind a good survey includes some open questions allowing the recipients to detail what is truly important to them.

Some examples of open questions could be:

- What is great about our current system?

- What could be handled better in a new system?

- What could a new technology streamline for your job role?

Also include more specific questions, for example:

- Are there repetitive tasks you carry out which require the rekeying of data?

- Would an automated membership system improve member satisfaction levels? In what ways?

- What are the top three areas that a new system should address to make your job easier?

Some organisations also conduct face to face workshops and invite staff to attend and gather further input that way. This is often extremely helpful and provides additional detail that cannot normally be obtained through surveys alone.

Provide feedback after the survey

Let them know they've been heard. If your employees feel like their feedback is going into a black hole, they'll be less likely to participate again or buy in to the project during implementation.

Once you've compiled the survey, and before the new technology is selected be sure to give them feedback. An easy way to do this is to provide an employee survey presentation to show what knowledge has been gained, and what's being done with the survey results.

Build an initial requirements list from the staff survey

Compile the inputs from the staff survey into an initial business requirements table (see below). When compiling the survey be sure to consider:

- Are there similar needs or issues presented by several (or many) of the staff? If so, note how often in the Frequency column of your business requirements table

- Are there any conflicting needs or issues among the responses?

- Do the needs and issues identified align to the overall project objectives?

The project team will also use their experience and insight to add other needs to the table, or to expand or refine the input from the staff survey.

Initial Business Requirements - Issues and Impacts

It is best to build this table in Excel, as later you will add numerical scoring and other details later, or email this link and we will forward our template to you.

Tangible and Intangible Costs

When analysing the staff input on requirements, you will often find dozens or even hundreds of issues. As you consider these you need to quantify both Tangible and Intangible Costs to your organisation that result directly and indirectly from the limitations of your current processes and technology.

Tangible costs represent expenses arising from measurable things - such as lost income, inefficient processes, and staff time lost to fixing problems. The more often these occur, the higher the tangible cost to your organisation.

And, tangible costs are often associated with items that also have related intangible costs.

An intangible cost is not easily measured in numerical or dollar terms. Instead, it consists of a subjective value placed on a circumstance, or event, in an attempt to quantify its impact. Typical intangible costs arise from "poor customer experience", unrealistic or unmanaged expectations, and differing views of "quality". In this document, we use "importance" to measure the relative intangible cost of an issue.

Measuring Business Impact

The most effective way to begin to focus and prioritise your current needs and issues is to group them by department, function or business process. This will also allow for a better understanding of the areas of your business that need the most attention.

The following three measures allow the overall impact to be understood.

Impact

How much wasted time, effort and money results in the current situation

Frequency

How often they occur (e.g. daily vs weekly vs monthly)

Importance

How many people (staff and members) are affected, and other negative consequences to your organisation

Using the data collected in this table below you can quickly identify the following:

1. Cost impact for each issue
2. Total Business Cost Impact
3. Relative Importance of each issue

To generate the tangible "Total Business Cost Impact" you need to determine the average hourly cost per staff member of your company including Management and On Costs. For the purpose of this exercise we have used $50/hour.

Setting Priorities

From this analysis, you will understand the issues that have the most frequent and highest Tangible and Intangible impact on your Organisation. These are the needs or issues that should get the highest priority when looking at new technology solutions.

Initial Business Requirements Matrix

No:	Need / Issue Identified	# of Responses	Impact hrs or $	Frequency / Annum	* 5 year Impact	Importance
Business Administration					**$ 93,000**	
1	Manual sending of invoices and reconciliation of payments	12 of 14	.25	1200	$75,000	10
2	Crystal Reports (CR) is currently required to produce reports which is complex, expensive and time consuming	3 of 14	2	12	$6,000 plus CR license fees	7
3	We currently manage and host multiple websites which is complex and confusing to Members	14 of 14	4	12	$12,000	10
Events					**$ 96,000**	
1	Each Event requires PDF documents to be created for Directions, Accommodation Options, Learning Outcomes	11 of 14	2	30	$15,000	7
2	Rebuild conference website each year (plus design)	2 of 14	$10k each time	1	$50,000	10
3	Must manually create conference run sheets	4 of 14	16	1	$4,000	7
4	Manual process for event and conference reminders	12 of 14	2	30	$15,000	10
5	Duplicate data in the database due to no double opt-in sign-up processes, and poor user account validation	14 of 14	4	12	$12,000	7
Membership Signup and Renewals					**$ 52,750**	
1	Our current system is very inflexible during Member sign-up therefore not all data is collected as required and requires manual followup	12 of 14	1	50	$12,500	5

2	New Member Invoices and Welcome Emails are very manual	3 of 14	1	50	$12,500	7
3	Our current system does not allow multiple Individual Memberships to be paid by one Business, in an automated manner. Currently very manual.	11 of 14	4	12	$12,000	7
4	Student Membership needs script run by IT Team annually to upgrade	2 of 14	8	1	$2,000	9
5	Renewal Reminders have to be sent manually in our current system	4 of 14	2	12	$6,000	7
6	We have to calculate the new Member Prorate Fee manually	12 of 14	.5	12	$1,500	8
7	We are currently required to manually create the CEO and President Member Welcome Letters	14 of 14	.5	50	$6,250	9
Communications - Member and Media					**$ 62,000**	
1	Newsletter creation is very time consuming ● SIB ● Monthly Member News ● Event Follow-up ● etc	2 of 14	1	100	$25,000	7
2	Newsletter List Creation is Time Consuming to create	4 of 14	.5	50	$6,250	7
3	List Unsubscribe Management and Bounce Management	12 of 14	1	50	$12,500	9
4	There is no ability to record Media Contacts in our current system to facilitate media release sending ● Companion Animal ● Equine ● etc	14 of 14	.5	50	$6,250	7
5	Our current system does not facilitate the collection of Member Contributed Content	3 of 14	2	24	$12,000	10
Member Services					$ 196,000	
1	Mentoring system is run manually – no facility in our current system	3 of 14	2	52	$25,000	9
2	Business Accreditation is run manually - no facility in our current system	11 of 14	2	52	$25,000	10

3	Members cannot change their password or request a new one	2 of 14	4	12	$12,000	9
4	Positions Vacant are manually managed for collection, creation on the website and invoicing, plus no re-posting facility is available or mechanism to grant discounts for specific user groups.	4 of 14	1	500	$125,000	7
5	Users cannot currently access the Invoice history and reprint	12 of 14	2	12	$6,000	8
6	CPD management is not centralised in our current system so we must utilise an external service and maintain a separate CPD website requiring some double up of work.	14 of 14	1	12	$3,000	6
Branches and Committees					**$ 78,000**	
1	Our existing system does not provide Committee Management	11 of 14	1	12 per annum per Branch	$39,000	6
2	We currently have access to Static Mail List in an external bulk email system which requires manual updating regularly to reflect current Members.	2 of 14	1	12 per annum per Branch	$39,000	7
		TOTAL TANGIBLE COST SAVING			**$ 577,750**	

Impact in minutes	Average time in minutes lost per Incident
Frequency per week	No# of incidents per week
Total Cost Impact	Impact x Frequency x Issues / 60
Importance	10 = high, 1 = low

4. Requirements Selection and Prioritisation

Now, you can assess the priority of each requirement based on the Frequency, Impact, and Importance to your Organisation. You want to know in terms of your needs, issues and current processes what is most important for any new technology solution to address (e.g. Fix the issues with the greatest negative impact first)

Expand the Initial Requirements

If needed, don't hesitate to go back to individual departments and ask for more information about the frequency, impact and importance, as there may not have been enough information in the survey to make a good assessment of these. Modify the Initial Requirements table above to capture this analysis.

In the below example table you can map and score the issues in an efficient and effective manner.

Note: You can now rate each Need/Issue on its relative Frequency, Impact and Importance, from a score of 1 to 10, as it compares to all other Needs/Issues.

Refer back to the Tangible Costs outlined in the previous chart should it be needed.

Strategic Priority

Once you have grouped the issues and decided their score you should consider the strategic priority of each. The final prioritised requirements list should take all these aspects into consideration, and form the basis to your feature requirements specification.

To set the Priority consider the below options:

Priority 1 - Mandatory

This is a MUST HAVE feature of your new solution as it is critical to the business operations or project success.

Priority 2 - Nice to Have

This feature could offer a significant value to the business but it's not critical to the business operations or project success

Priority 3 - Desirable

This feature would be advantageous to the business but it's not required to deliver the current strategic goals of the project.

Business Requirement Table

No:	Need / Issue Identified	Tangible and Intangible Metrics			Strategic Priority	
		Impact[1]	Frequency[1]	Importance[2]	Score	Priority[3]
Business Administration						
1	Manual sending of invoices and reconciliation of payments	1	10	10	100	1
2	Crystal Reports (CR) is currently required to produce reports which is complex, expensive and time consuming	2	4	7	56	2
3	We currently manage and host multiple websites which is complex and confusing to Members	3	4	10	120	1
Events						
1	Each Event requires PDF documents to be created for Directions, Accommodation Options, Learning Outcomes	2	6	7	84	2
2	Rebuild conference website each year (plus design)	10	1	10	100	1
3	Must manually create conference run sheets	10	1	7	70	2
4	Manual process for event and conference reminders	2	6	10	120	1
5	Duplicate data in the database due to no double opt-in sign-up processes, and poor user account validation	3	4	7	84	2
Membership Signup and Renewals						
1	Our current system is very inflexible during Member sign-up therefore not all data is collected as required and requires manual followup	2	8	5	80	2
2	New Member Invoices and Welcome Emails are very manual	2	8	7	112	1
3	Our current system does not allow multiple Individual Memberships to be paid by one Business, in an automated manner. Currently very manual.	3	3	7	63	2
4	Student Membership needs script run by IT Team annually to upgrade	8	1	9	72	2

#	Description					
5	Renewal Reminders have to be sent manually in our current system	3	3	7	42	
6	We have to calculate the new Member Prorate Fee manually	1	3	8	24	
7	We are currently required to manually create the CEO and President Member Welcome Letters	1	8	9	72	2
Communications - Member and Media						
1	Newsletter creation is very time consuming ● Branch ● Monthly Member News ● Event Follow-up ● etc	2	2	7	28	3
2	Newsletter List Creation is Time Consuming to create	1	8	7	56	2
3	List Unsubscribe Management and Bounce Management	2	8	9	144	1
4	There is no ability to record Media Contacts in our current system to facilitate media release sending ● Companion Animal ● Equine ● etc	1	8	7	56	2
5	Our current system does not facilitate the collection of Member Contributed Content	3	5	10	150	1
Member Services						
1	Mentoring system is run manually – no facility in our current system	3	8	9	216	1
2	Business Accreditation is run manually - no facility in our current system	3	8	10	240	1
3	Members cannot change their password or request a new one	4	5	9	180	1
4	Positions Vacant are manually managed for collection, creation on the website and invoicing, plus no re-posting facility is available or mechanism to grant discounts for specific user groups.	2	9	7	144	1
5	Users cannot currently access the Invoice history and reprint	3	3	8	72	2

#		Impact	Frequency	Importance		Priority
6	CPD management is not centralised in our current system so we must utilise an external service and maintain a separate CPD website requiring some double up of work.	1	3	6	18	3
Branches and Committees						
1	Our existing system does not provide Committee Management	2	5	6	60	2
2	We currently have access to Static Mail List in an external bulk email system which require manual updating regularly to reflect current Members.	2	5	7	84	2

Impact   1 = low, 10 = high

Frequency   1 = low, 10 = high

Importance   1= low, 10 = high

Priority   1= High, 3 = Low

Identifying your Future State

Now that you have prioritised your current needs and issues, you need to set out how the new technology solution will help you achieve your strategic plans. Keep in mind that when you are selecting a technology solution you are making a long term decision, as most organisations do not replace their major technology applications more often than every five to seven years due to the cost, disruption, and change impacts.

This means you need a clear vision for your service delivery, products and value proposition including a longer term view about how you want technology to enable it.

Consider where you want your business to be in the short, medium and longer term in regard to business processes, ways of delivering services to your members, how you collect and use information, and your overall technology use to enable these.

To get more specific about your future state, consider these questions as a starting point:

- Which of your member services will be delivered differently than today?

- What types of new products and services will you be providing to members?

- What is your strategy for process improvement and innovation in the way your organisation operates?

- What is your strategic plan for member growth and retention?

The future state is about both the goals you aim to achieve within this project and as an organisation over the next three to five years. You should do this by reviewing the data that has already been compiled in the Business Requirements Table in parallel to your Strategic Plan and Business Plan.

Note: Most organisations have a Strategic Plan covering at least three years that sets your short term and often longer term goals and this document will provide the foundation to this process. If you don't have a Strategic Plan you need to write one and update it annually.

These goals should be clearly set out and mapped against your 'identified needs' then qualified by the project team, key stakeholders and primary decision makers.

Ensuring your future state goals are defined will make the process of feature selection much easier. During the vendor analysis, each decision made by the team of stakeholders should be validated against these future state goals, especially any issues requiring further debate. The question should be asked 'does this deliver against the stated goals', or which option delivers best to meet the 'future state' goals?'

5. Creating the Gap Analysis

Now you know your current needs and issues and their relative priority, and a vision of how you want these and other strategic plans to be working in the future.

The Gap Analysis defines the difference between how you work today, and how you want to work in the future state, with the help of your new technology solution. You also know the current features of your technology that you "need" to have, as well as any new features required to achieve the future state. This gives you the final input to your requirements list and priority setting, which will make comparing vendor products more focused and easier to complete.

Compiling your Gap Analysis

The below table offers a simple template for drafting your gap analysis. Start by entering each Future State Requirement into the Gap Analysis Table below using the data collected to date from staff surveys and the Initial Requirements Matric priority setting.

You can then successfully document your current situation (or state) with respect to the future state you wish to achieve. If you find you have high priority needs in your 'Initial Requirements Matrix' that do not match up to the Future State Requirements, then retest your assumptions as you may have missed something. If there is no Future State Requirement, consider if the need is really a priority at all on the Initial Requirements Matrix.

Bridge the Gap

Once you have identified your current situation and future requirements, it is important to bridge the gap between the two states. The points that come out of this next step will form the basis of your project requirements and outline the actions you will need to take to achieve your desired future state.

Think about the next steps you can take to bridge the gap and enter them into the Next Action column. Be sure to consider technology related actions as well as changes to your business process and staff education that are needed to bridge the gap:

Gap Analysis Table*

FUTURE STATE ANALYSIS			
No#	Future Requirement	Current State	Next Action
1	All Renewal Invoicing to be automated by the Membership System	Manual sending of invoices and reconciliation of payments	Implement a Software Solution that has Automated Membership Renewal processing and Invoice Creation ● Transfer all Invoicing over to the new Software ● Train staff how to use the new Software ● Determine if Real Time connection to Accounting System is required
2	Renewal Reminders should be sent automatically including overdue payment reminders	Crystal Reports (CR) is currently required to produce reports which is complex, expensive and time consuming	A facility is required to configure email schedules for automatic sending. ● Multiple emails per schedule ● Pre and Post Expiry Emails Sent ● Editing of emails enabled for staff ● Multiple Schedules can be configured with different timing and email content
3	Have a single web management framework for all sites	We currently manage and host multiple websites which is complex and confusing to Members	Migrate all websites to a single source code framework that supports "multi-site" management

* Continue this table for all features listed in the Requirements Matrix above.

These steps will include finding the right technology to not only help you achieve your wanted future state but also fit your requirements. When you have completed the gap analysis you will have a better idea of what the new technology needs to do, AND a clearer picture of process changes, training, and other changes needed along with any new technology. These are also important considerations in your vendor selection process.

Finalise the Business Requirements and Priority

Now you have a clear picture of what the new technology needs to address. Ensure that you've tied each requirement to a future state requirement, confirmed your priorities (Must Have, Nice to Have, Desirable), and that the project team is aligned.

If you haven't already done so, provide feedback to the staff who completed the survey about what you've learned, and what the focus of the vendor selection process will be based on their input.

Business Requirements Matrix (final)*

No:	Need / Issue Identified	Tangible and Intangible Metrics			Strategic Priority		
		Impact[1]	Frequency[1]	Importance[2]	Score	Priority[3]	Future State
Business Administration							
1	Manual sending of invoices and reconciliation of payments	1	10	10	100	1	1
2	Crystal Reports (CR) is currently required to produce reports which is complex, expensive and time consuming	2	4	7	56	2	2
3	We currently manage and host multiple websites which is complex and confusing to Members	3	4	10	120	1	3
Events							
1	Each Event requires PDF documents to be created for Directions, Accommodation Options, Learning Outcomes	2	6	7	84	2	
2	Rebuild conference website each year (plus design)	10	1	10	100	1	
3	Must manually create conference run sheets	10	1	7	70	2	
4	Manual process for event and conference reminders	2	6	10	120	1	
5	Duplicate data in the database due to no double opt-in sign-up processes, and poor user account validation	3	4	7	84	2	
Membership Signup and Renewals							
1	Our current system is very inflexible during Member sign-up therefore not all data is collected as required and requires manual followup	2	8	5	80	2	

* Continue this table for all features listed in the Requirements Matrix above.

6. Vendor Selection

In a typical technology project you will be required to select multiple Product Vendors, domain specific experts, business or technology consultants, and project managers.

Keep in mind that the product, or products, you select are not the most important factors in determining your projects success. It is universally recognised that the Vendor you chose combined with your senior management's commitment to the project, and the engagement of a Professional Project Manager are significantly more important success factors than the product you actually choose.

Vendor Selection

The importance of choosing Vendors that 'fit' your project requirements from both a cultural and product perspective cannot be underestimated. Using the Business Requirements Matrix you will be able to shortlist Vendors quickly. Focus on selecting the minimum number of Vendors (not more than 3 for detailed analysis) as projects become substantially more difficult and the risk of failure increases exponentially as you add each new Vendor.

Making the right decision during this selection process will significantly increase your project's chance of success and sets the mood for the entire project delivery. Each engagement needs to produce a win-win result for both parties so its critical that clear, efficient and professional communication is carried out throughout.

As stated above finding the correct organisational fit for your business is a vital component as you are entering into a long term relationship that will usually last for five to seven years minimum. In many cases the Vendor relationship will outlast the tenure of your CEO and Senior Management Team.

Online Vendor Research

To begin the search for a new vendor we recommend you initially perform a high level search on Google and other Search Engines. This will allow you to identify a list of potential vendors who support your industry segmentation and locality, plus it allows you to gain a quick appreciation of their functionality and overall professionalism. If their web solution is poorly designed and confusing, then it's likely the solution they would build for you would be the same. This search can quickly provide you with a feel for what is currently available on the market.

Keep in mind while completing this research that if their website does not address your specific needs for both product and service clearly, and does not show any focus on the specific requirements of membership or association management, then they might not provide the service you require or have the experience you need to achieve a successful outcome. Once you have shortlisted these vendors - test them out. Place an enquiry on their website, download some documents, enrol in a webinar and call them.

The manner in which they handle these exercises is usually a pretty fair reflection on their responsiveness, service levels and the knowledge you can expect them to deliver throughout the entire project and beyond.

As stated above it is crucial you find a vendor who understands your market segment, shows an interest in your current situation, your needs and your strategic goals. They should have a proven track record helping businesses like yours achieve great results. So you should use very targeted keywords and phrases allowing you to generate your initial vendor list.

Depending upon your needs and internal resources you may also need a vendor who not only provides a great product, but one that can offer professional services and advice.

Other Vendor Research Methods

There are a number of other avenues you can pursue in order to find a selection of vendors and these include:

- Websites that list 'Top Organisation Management Software' will usually list the top 50 or 100 choices. An overview of each vendor is provided with a ratings system, list of product details, reviews and more. This type of search can often be overwhelming due to the huge number of results.

- View other organisation's websites and providers if you would like to know what other Vendor organisations are using. The newer websites will either have the name or logo placed in the footer of the website that will link to the vendor. This also provides an unbiased testimonial list.

- Word of mouth is a great way to gather vendor feedback. The trick here is to identify the right person to ask as often the 'influencer' of a purchasing decision does not want to admit a mistake. Try to identify users of the system and c-level management as they will provide an unbiased view of its to day to day capability and strategic outcomes respectively. Also remember all software has issues and all relationships have problems so what's really important is how issues are resolved, not whether they happened.

- Forums can assist your search further by enabling you to read any reviews or obstacles some clients are facing with their vendors.

Product Review

A good idea while performing your vendor selection is to create a template for noting down each vendor's responses. This way you will be able to keep a clear record of each vendor and further down the track when you start researching further you can add notes etc.

By scoring vendors against Requirement/Issue and Functional Grouping Area you can generate an aggregate score to compare vendors which will help you select a shortlist.

Product Demonstration

The final product evaluation involves face to face product demonstrations. It is usually best to address each Functional Grouping area separately as you may wish to involve personnel specific to that area in the demonstration.

On completion of each Functional Area or during the demonstration your team should make notes and add scoring to the Product Selection Matrix below. This ensures nothing is forgotten.

With any project it is just as important to note the items you cannot have, as well as those you can, as this will provide you with a list of custom functionality you may wish to have the Vendor provide a quote to add.

It is also important to document ALL additional features each Vendor includes which are in excess of your documented requirements. Many of these items that you have not considered may add significant value to your business so they should be considered when making your final decision.

Product Selection Matrix*

PRODUCT EVALUATION : MEMBER EVOLUTION				
Need or Issue	Priority	Future Requirements	Vendor Notes	Scoring
Finance				**20 / 20**
Manual sending of invoices and reconciliation of payments	1	All Renewal Invoicing to be automated by the Membership System	Member Evolution includes these features within their standard product offering. You can create unlimited email schedules and membership products. There are many additional features including: ● Anniversary and Fixed Date Renewals ● Automatic Invoice Creation and Sending on Expiry ● Automated Credit Card Billing and Receipting	10
Crystal Reports (CR) is currently required to produce reports which is complex, expensive and time consuming	2	Renewal Reminders should be sent automatically including overdue payment reminders	Member Evolution is built on the Drupal Open Source Web Development Framework and includes the Drupal View system allowing Business Intelligence Reporting across the entire single source code, single database solution.	10
We currently manage and host multiple websites which is complex and confusing to Member	1	Have a single web management framework for all sites		

* Continue this table for all features listed in the Requirements Matrix above.

Vendor Business Evaluation*

In addition to the product evaluation you need to look closely at the Vendor including their business culture, financial situation, future direction, technology platform and support processes and score these based on what is important to you.

VENDOR EVALUATION : MEMBER EVOLUTION/ASPEDIA AUSTRALIA			
Requirement	Vendor Answer	Scoring Rules	Score
Business and Management Culture			
Are all Software development and support resources based in Australia	Yes	10 points for Yes and -10 for No	10
Is System Configuration carried out Inhouse or delivered through an external partner organisation	Yes	10 points for Yes and -10 for No	10
Is ongoing Account Management carried out Inhouse or delivered through an external partner organisation	Yes	10 points for Yes and -10 for No	10
Is Data Import carried out inhouse or delivered through an external partner organisation	Yes	10 points for Yes and -10 for No	10
Financial Stability			
How many years in Business	Since 1997	1 point for each year up to 10 max	10
Has any of the Directors every been a discharged Bankrupt or had a business put into Administration	No	10 points for No and -10 points for each Yes	10
Has the business posted a profit over the past 3 years	Yes	10 points for Yes, -10 for No	10
Technology Platform			
Is there a published Technology Roadmap of future features	Yes	5 points for Yes, 0 for No	5
Single Source Code - How many of your Functional Grouping Areas from your Requirements Matrix are included within the primary system code base	12	2 points for each Functional Grouping Area	24
Single Database Solutions - How many of your Functional Grouping Areas from your Requirements Matrix are included within the primary database	12	2 points for each Functional Grouping Area	24
How many external product integrations are required to deliver all functionality from the Requirements Matrix (ignoring Payment Gateway and Accounting System)	0	-10 points for each area	0

Is ALL data from ALL Functional Systems securely hosted within Australia	Yes	10 points for Yes and -10 for No	10
Support Systems			
Is there a Disaster Recovery Strategy in place with real time data synchronised to two or more remote locations	Yes	20 points for Yes and -20 for No	20
Are all systems housed in a Class A Data Center	Yes	20 points for Yes and -20 for No	20
Is there a published Bugs list available to clients with date identified and planned completion date	No	10 points for Yes and -10 for No	-10

* Continue this table for all factors that you feel are crucial to evaluate each Vendor shortlisted.

7. Total Cost of Ownership (TCO)

The final consideration before choosing your Vendor is the Total Cost of Ownership of the respective shortlisted solutions. Total Cost of Ownership looks at all the direct upfront and ongoing costs you will incur for the initial implementation and over expected useful life of the solution - usually between five to seven years for new software implementations.   Direct Costs, in this TCO methodology, are then offset by Tangible Benefits (e.g. direct cost savings) and by Intangible Benefits. In short:

TCO = Direct Costs - (Tangible Benefits + Intangible Benefits)

In many cases, even if you put no "value" on intangible benefits, the tangible benefits you have defined alone will make the new solution less costly than your current solution. And sometimes your TCO will be a negative number! If this is the case, not only will you get your issues and needs addressed, but you will spend fewer dollars than you are today.

In computing your TCO for each short listed solution, you need to look at each of these three TCO components, and determine how each vendor's specific solution affects:

1. Direct Costs
2. Tangible Benefits (Direct Cost Savings)
3. Intangible Benefits (Indirect Cost Savings)

Direct Costs

To determine your Direct Costs you need to make sure ALL cost outlays for the entire term are taken into account. These are the fees payable to each Vendor, or their subcontractor, throughout the term of the agreement. You need to look at all costs to plan, implement, customise, support, upgrade, host and maintain the solution for the Term of the Agreement, and include costs paid to vendors, and other direct costs such as hardware, software, travel, and salaries of people hired to delivery or support the solution (if applicable).

Direct costs usually include the items below but you may also discover other items which should be added to allow for a true Direct Cost Comparison to be carried out.

DIRECT COST OUTLAYS : MEMBER EVOLUTION/ASPEDIA AUSTRALIA			
Product/Service Description	Cost	Term in Months	Total Cost*
Consulting Total			**$ 15,000**
Project Management	$2,500	6	$15,000
Functional Requirements Scoping/Planning	n/a	-	$ 0.00

User Interface Design	n/a	-	$ 0.00
Data Extraction, Cleanse and Import	n/a	-	$ 0.00
Software			**$ 65,930**
Base Product Purchase	$59,990	-	$ 59,990
Custom Software Configuration/Development to meet Priority 1 Requirements	n/a	-	$ 0.00
Custom Software Configuration/Development to meet Priority 2 Requirements	n/a	-	$ 0.00
Custom Software Configuration/Development to meet Priority 3 Requirements	n/a	-	$ 0.00
Product Licensing (10 Users, Unlimited Members)	$ 99	60	$ 5,940
Product Maintenance Plans for software upgrades	n/a	-	$ 0.00
Transaction Charges			**$ 32,880**
40,000 Bulk Emails per Month	$ 349	60	$ 20,940
1,000 SMS Messages per Month	$ 199	60	$ 11,940
Hardware - Servers/Communications			**$ 0.00**
Web Server	n/a	-	$ 0.00
Database Server	n/a	-	$ 0.00
Switches/Routers for connection to Servers/Internet	n/a	-	$ 0.00
Website Hosting	n/a	-	$ 0.00
Support			**$ 0.00**
Disaster Recovery Systems	n/a	-	$ 0.00
Security Patch Management	n/a	-	$ 0.00
Software Warranty	n/a	-	$ 0.00
TOTAL DIRECT COSTS OUTLAY			**$ 113,810**

* all prices are Ex GST

Tangible Benefits (Direct Cost Savings)

Tangible cost savings will offset some or all of the Direct Costs you will incur when upgrading to a new solution.

Using the data collected in the Initial Business Requirements Matrix you will now be able to calculate the tangible benefit over the term. This provides the financial saving that can be made by upgrading to a specific vendors product, and will be very important in winning your leadership and Board approval to proceed with a new solution.

Often only a small percentage of these savings is recovered as a direct bottom line cash saving. The saving manifests itself through the realignment of staff time spent more proactively delivering member services and benefits, rather than time wasted on repetitive manual tasks.

This realignment should realise a direct improvement in member renewal rates, new member acquisition and the sale of ancillary services. Often the increased revenue exceeds the tangible cost saving providing a further increase to your ROI.

In addition, some tangible benefits do not occur immediately with a new technology, but are realised over time as efficiencies reduce the need for additional staff, reduce costly staff turnover, and increase revenue per member/customer.

TANGIBLE COST SAVING : MEMBER EVOLUTION/ASPEDIA AUSTRALIA					
No:	Issue	Solution	Impact	Frequency	5 YR Benefit*
Business Administration					**$ 93,000**
1	Manual sending of invoices and reconciliation of payments	ME allows for all transactions to be automatically sent, or not, at the discretion of the workflow or staff member.	.25 hours	per month (assume 100 per month)	$75,000 @ $50/hr cost
2	Crystal Reports (CR) is currently required to produce reports which is complex, expensive and time consuming	ME utilises the Drupal View engine to create reports and has a roadmap feature planned for 2016-17 allowing customised reports to be created by us.	2 hours	per month	$6,000 @ $50/hr cost plus CR license fees
3	We currently manage and host multiple websites which is complex and confusing to Members	ME has a multi-sites module allowing these sites to be combined into the one solution	4 hours	per month	$12,000 @ $50/hr cost
Events					**$ 96,000**
1	Each Event requires PDF documents to be created for Directions, Accommodation Options, Learning Outcomes	Add tabbed pages on an Event for Accommodation Options, Learning Outcomes	2 hours	per Event 30 per annum	$15,000 @ $50/hr cost

		and a Google Map for Directions			
2	Rebuild conference website each year (plus design)	Have a Content Managed Responsive Conference Template allowing staff to update annually	$10k each time	per Conference	$50,000
3	Must manually create conference run sheets	Create CRM activities related to the conference and have access to a threaded activities report per User and/or ALL users	16 hours	per Conference	$4,000 @ $50/hr cost
4	Manual process for event and conference reminders	ME has automated processes for both email and SMS event reminders	2 hours	per Event 30 per annum	$15,000 @ $50/hr cost
5	Duplicate data in the database due to no double opt-in sign-up processes, and poor user account validation	ME has forced double opt-in validation of users and includes person and business merge functionality	4 hours	per month database cleansing process	$12,000 @ $50/hr cost
Membership Signup and Renewals					**$ 52,750**
1	Our current system is very inflexible during Member sign-up therefore not all data is collected as required and requires manual followup	ME allows the collect of different data at different times (during and after sign-up for example) as well as different data can be collected for different membership plan types	1 hours	per New Member (assumption 50)	$12,500 @ $50/hr cost
2	New Member Invoices and Welcome Emails are very manual	ME can automate these processes	1 hour	per New Member (assumption 50)	$12,500 @ $50/hr cost
3	Our current system does not allow multiple Individual Memberships to be paid by one Business, in an automated manner. Currently very manual.	ME can provide this functionality with a small amount of custom development work estimated at $5,000	4 hours	per month database cleansing process	$12,000 @ $50/hr cost
4	Student Membership needs script run by IT Team annually to upgrade	ME can allow editing of the Student Plan allowing an easy roll-up of Members/Plans annually without scripting	1 day	per annum	$2,000 @ $50/hr cost
5	Renewal Reminders have to be sent manually in our current system	ME allows for multiple schedules to be created and related to Membership Plans. These schedules automatically send structured emails to members stepping them through the renewal	2 hours	per month	$6,000 @ $50/hr cost

		cycles including expiry and overdue emails.			
6	We have to calculate the new Member Prorate Fee manually	ME manages this calculation for us and the Prorate Resolution can be set from 1 min to 1 yr	.5 hours	per month	$1,500 @ $50/hr cost
7	We are currently required to manually create the CEO and President Member Welcome Letters	ME can automatically create a PDF letter for sending to new members or allowing them to access, download and print as required.	.5 hours	per new members (50 annum)	$6,250 @ $50/hr cost
Communications - Member and Media					**$ 62,000**
1	Newsletter creation is very time consuming ● SIB ● Monthly News ● Event Follow-up	Utilise Email Digests from ME to automate notifications of new content, resources, events, courses	1 hour	per Newsletter 100/annum	$25,000 @ $50/hr cost
2	Newsletter List Creation is Time Consuming to create	Save time pulling newsletter lists and going back to unsubscribe the right people – and use bounce management (dynamic lists)	.5 hour	per Newsletter 50/annum	$6,250 @ $50/hr cost
3	List Unsubscribe Management and Bounce Management	ME has automated processes for these action	1 hour	per Newsletter 50/annum	$12,500 @ $50/hr cost
4	There is no ability to record Media Contacts in our current system to facilitate media release sending ● Companion Animal ● Equine ● etc	ME allows for further categorisation of People and Business to track specific groups such as media	.5 hour	per Media Release 50/annum	$6,250 @ $50/hr cost
5	Our current system does not facilitate the collection of Member Contributed Content	ME allows Members to submit for moderation content they feel can be used for republishing This saves on time consuming content creation whilst providing the benefits of : ● Increased member participation ● generating more relevant content	2 hours	per Blog @ 2 per month	$12,000 @ $50/hr cost
Member Services					$ 196,000
1	Mentoring system is run manually – no facility in our current system	ME has a Mentoring solution allowing Mentors to apply and be approved, plus track who is mentoring who.	2 hours	per week review of program	$25,000 @ $50/hr cost

| 2	Business Accreditation is run manually - no facility in our current system	ME has an Organisational Accreditation solution allowing companies to enrol, access resources for QA process improvement, then apply for audit, followed by tracking accreditation result, and follow-up reminders for re-accreditation.	2 hours	per week review of program	$25,000 @ $50/hr cost
3	Members can not change their password or request a new one	ME has this functionality standard	4 hours	per month	$12,000 @ $50/hr cost
4	Positions Vacant are manually managed for collection, creation on the website and invoicing, plus no re-posting facility is available or mechanism to grant discounts for specific user groups.	ME has a Jobs Vacant system that allows role base purchasing of Jobs, with user self service creation, staff approval/moderation options, and automated invoicing and re-posting reminders.	1 hours	per Job (assume 500 per annum)	$125,000 @ $50/hr cost
5	Users cannot currently access the Invoice history and reprint	ME provides this functionality standard	2 hours	per month	$6,000 @ $50/hr cost
6	CPD management is not centralised in our system so we must utilise an external service and maintain a separate CPD website requiring double up of work.	ME offers the CPD features standard but will need to add the Learning Needs	1 hours	per month	$3,000 @ $50/hr cost
Branches and Committees					**$ 78,000**
1	Our existing system does not provide Committee Management	ME allows communication to Committee Members by your staff including document sharing, upcoming meeting etc. It also allows for Committee Members to upload document to the Committee.	1 hour	per month per SIB	$39,000 @ $50/hr cost
2	We currently have access to Static Mail List in an external bulk email system which require manual updating regularly to reflect current Members.	ME will allow the Branch President and Secretary to access dynamic "filtered" lists of SIB Members with real time accurate list creation.	1 hour	per month per SIB	$39,000 @ $50/hr cost
				TOTAL TANGIBLE SAVING	**$ 577,750**

* all prices are Ex GST

Intangible Benefits (Indirect Cost Savings)

The final step in the TCO equation is to consider the Intangible Benefits. This area can be much harder to quantify as it is not always easy to draw direct comparisons between vendors.

One technique that many companies use successfully to quantify intangible benefits is to convert the intangible benefit to a closely related tangible benefit which allows a indirect cost saving to be calculated. This technique is particularly beneficial in cases where the TCO is not as low as needed to gain approval for a new solution.

Hares & Royle (1994) define an intangible benefit as "anything that is difficult to measure" and indicated that there are four main intangible benefits in IT investment as shown in the image below. Using these as a guide to determine your intangible benefits may be helpful and provide a consistent method of "measuring the difficult to measure" but important intangible benefits of each vendor's solution.
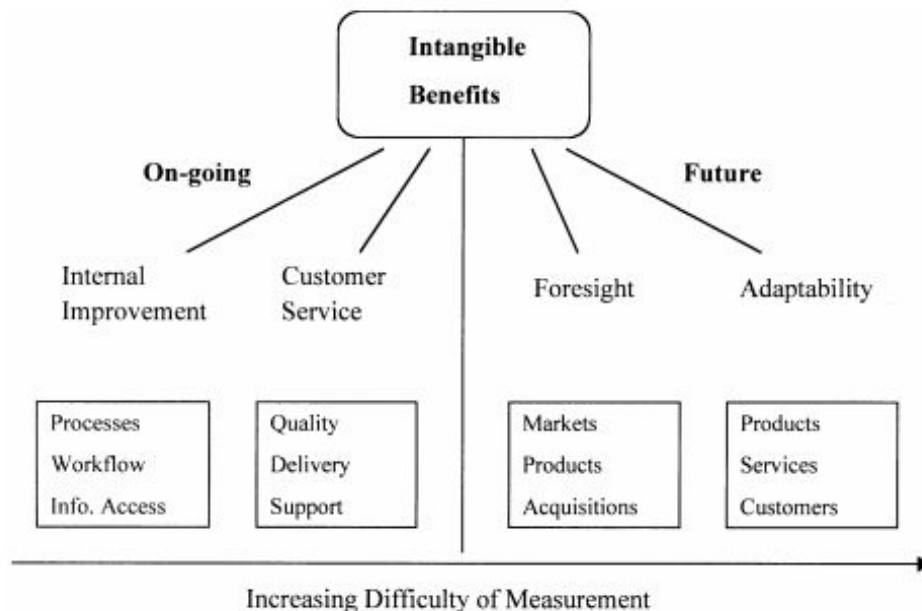
Even if your CFO or C-suite, or Board are in general not keen on intangible benefits, it is worth capturing these because they will help you more clearly differentiate between vendors if other aspects are very similar.

The following table provides some examples of typical intangible benefits, and how they can be tied back to tangible benefits.

INTANGIBLE BENEFITS : MEMBER EVOLUTION/ASPEDIA AUSTRALIA

Benefit Realised	Related Tangible Benefit	5 YR Benefit*
Internal Improvement		
Ease of use for staff	Reduced staff training	$12,500
Improvement in employee morale	Reduced staff onboarding costs including recruitment, interviewing, training costs plus lower productivity and lost knowledge. Up to 150 percent of annual salary.	$125,000
Single source of truth database	No wasted time due to database errors or non-value adding reconciliations	$25,000
Removal of existing legacy systems	Reduced support, license and maintenance costs	$19,500
Customer Service		
Ability to engage your community of members, branches, committees and groups	Improved community engagement providing additional free resources to support Members, Events and Training.	$100,000
Improved service quality and member experience through the use of common processes across the organisation	Increased Member satisfaction will increase new member referrals and existing member renewals	$86,000
Improved member experience with greater willingness to use self service options	Reduced member support staff time and increased focus on revenue generation activities	$75,000
Foresight and Adaptability**		
Ability to deliver additional professional services such as Case Management and Training	Increased revenue	$0.0
Ability to sell Resources, Webinars and other purchasable items	Increased revenue	$0.0
	TOTAL INTANGIBLE SAVING	**$ 443,000**

* all prices are Ex GST

* Future revenue has not been considered in this table

8. Vendor Engagement

You are now at the end of the Buying Cycle and you are armed with a suite of documents that will support your decision making process. These documents will provide the backbone to your Business Case for the implementation of this technology project.

This document is not aimed at providing a guide to the actual Vendor Engagement as this can vary greatly from company to company, depending on your company size, the project size, your governance structure and many other factors.

Some of the considerations for this next step could be:

- What is the chosen vendor's implementation methodology?
- How long will the project take and can the vendor start immediately?
- What is the feedback received from existing clients and clients currently in development?
- What are the preferred vendor's contract terms and conditions?
- What resources will you need to allocate to the project?

The next document in this series will look at Project Planning and Management to provide you with a plan to help ensure your chosen solution is installed on-time and on-budget.

The planning you have already completed through the use of the ideas and concepts in this document will at least ensure one of the three key criteria is fixed - scope. This does not guarantee the budget and timing will also remain fixed for the term of the engagement but it does provide a great basis to begin the project.

Project Statistics 2014

Please keep in mind that there are many many factors which can impact the successful delivery of a complex project. Below are some statistics which highlight the need for the engagement of a Professional Project Manager if your budget allows.

Average Cost Over is 27%

Harvard Business Review found that the average cost overrun of all projects is 27% and the average schedule overrun is almost 70%

Poor communication causes 57% of project to fail

Research company Spikes Cavell found that 57% of projects fail due to a breakdown in communications

Only 2.5% of companies get it right consistently

PricewaterhouseCoopers found that only 2.5% of the companies successfully completed 100% of their project

Project Statistics

McKinsey found large IT projects run 45 percent over budget and 7 percent over time, while delivering 56 percent less value than predicted

Source : McKinsey & Company in conjunction with the University of Oxford

Type of survey : Study on large scale IT Projects

Date : 2012

A study of 5,400 large scale IT projects (projects with initial budgets greater than $15M) finds that the well known problems with IT Project Management are persisting. Among the key findings quoted from the report:

1. 17 percent of large IT projects go so badly that they can threaten the very existence of the company
2. On average, large IT projects run 45 percent over budget and 7 percent over time, while delivering 56 percent less value than predicted

Biggest barriers to success listed as people factors: Changing mindsets and attitudes – 58%. Corporate culture – 49%. Lack of senior management support – 32%.

Source : IBM

Type of survey : Survey of 1,500 change management executives

Date : Oct 2008

IBM survey in the success / failure rates of "change" projects finds;

1. Only 40% of projects met schedule, budget and quality goals

2. Best organizations are 10 times more successful than worst organizations

3. Biggest barriers to success listed as people factors: Changing mindsets and attitudes – 58%. Corporate culture – 49%. Lack of senior management support – 32%.

4. Underestimation of complexity listed as a factor in 35% of projects

Aspedia Australia

Corporate Headquarters

Brisbane Technology Park

Suite 1, 1 Clunies Ross Court

Eight Mile Plains QLD   4113

Int: +61 7 3188 7000

Au: 1800 677 656

For further information please visit:

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