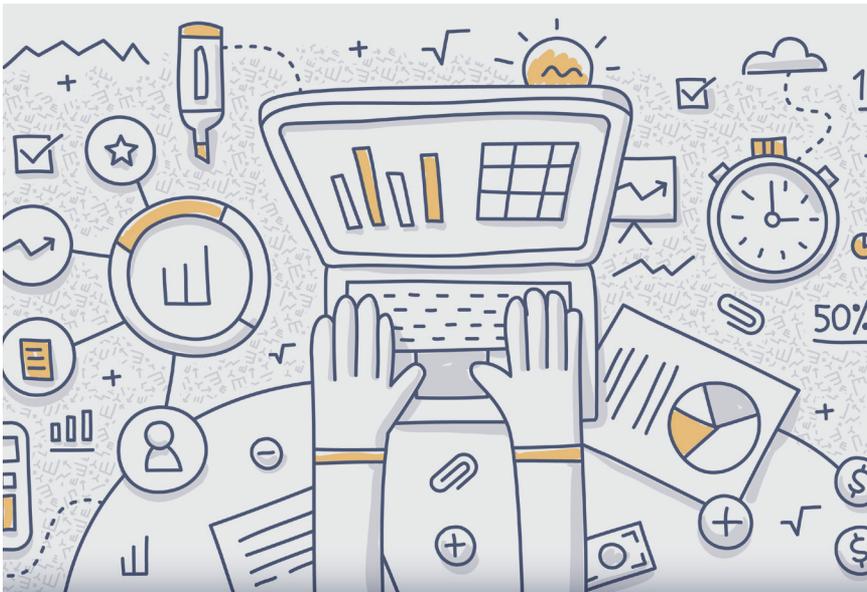


# Selecting Your Firm's New Financial System

by Jim Dusenbery of Source Consulting Group



For those in legal and other professional services, accurate and timely accounting and billing practices are vital for lasting success. In an increasingly technological world, this means selecting a proper financial system to fit your firm's unique needs holds more weight than ever before. If proper product expertise is not paired with practical selection procedures, firms run the risks of selecting inadequate software, making a decision based off of current requirements with little consideration of the future, paying too much for too little and, ultimately, being dissatisfied with their selection.

The ultimate goal of implementing a new financial system is to provide your firm with improved capabilities over your current system in terms of the overall technology, reduction of the bill-to-collect cycle time, lower maintenance expenditures and improved process efficiency. A poor choice now can result in a

decade or more of frustration and lost revenue. Here are recommendations to help your firm avoid the pitfalls of poor system selection procedures.

## Develop a Plan

The first thing any firm looking to implement a new financial system should do is develop a comprehensive plan of action. There are various options available that should be considered. A common misconception many firms have is that they will inevitably stick with their current vendor regardless of what else is available, as if updating to the newest model will solve their problems. Before starting their selection work, firms should drop any preconceived notions about systems and vendors until further analysis is completed. Customer loyalty is a great thing if you are the one providing the service. If not, it makes sense to consider alternatives.

Several topics should be discussed in a project kickoff meeting, such as:

- » Current processes
- » Challenges
- » Plans for growth
- » Any homegrown solutions that can or cannot be replaced

Get every issue on the table and determine what is required and desired out of a new financial system, as this is a tremendous opportunity to clean up data, improve processes and increase efficiency.

After you have an idea of what you're looking for, include a plan to determine which products on the market fulfill your needs. Some firms keep their selection work in-house, but this often leads to shifting priorities that inhibit progress. Other firms utilize third-party consulting firms, but if the right firm is not selected, you risk entering a painful, protracted agreement. Both can work well, and both have their dangers. Whichever route your firm chooses, have a timeline in place with established checkpoints and knowledgeable individuals available with clearly defined roles.

Other important points to consider when establishing a timeline and developing a plan include:

**Your firm needs to know what kinds of questions to ask vendors regarding things like functionality, pricing, capabilities and future support.**

- » If your firm cannot afford a long implementation, certain software might not be for you.
- » Schedule vendor demonstrations in your timeline to get definitive explanations of the capabilities of different software instead of relying on what you have heard about various products.
- » Throughout the selection process, document everything. Thorough documentation is convenient when the time comes to explain to management why you believe certain products are better than others. This can include score cards, evaluation forms, price comparison documentation and/or a comprehensive selection report comprising decision points that led to the product selection.
- » Define a target date for reaching a decision. Some firms begin selection work only to put it off for another year.

**Identify Needs**

Distinguishing between wants and needs can be a tricky process, especially when working with people who have settled into their routines. Just because your firm's old software performed a function one way does not mean it was the best way. It is common for people to be averse to change; it is uncommon to find individuals capable of implementing change smoothly. Having the proper product expertise available to you is instrumental when identifying necessities over desires.

Once requirements are determined and various product offerings are analyzed against these needs, weigh your firm's needs and compare the software. Products will inevitably have features your firm requires, but miss others. In some circumstances, a combination of solutions might be appropriate.

**Working with System Vendors**

We don't know what we don't know. When working with system vendors, it pays to know what to ask, just as it pays to demand in-depth answers. Your firm needs to know what kinds of questions to ask vendors regarding functionality, pricing, capabilities and future support, and your firm must be able to ask in a detailed way. If your firm asks for "X," but the vendor interprets "X" as "Y," they might think they supply "X" when they don't.

In a real-world example, you might ask a vendor if their software can accommodate multiple languages, and the vendor might say yes. However, if you specifically ask whether their product can accommodate character languages, such as Japanese or Chinese, you might receive a different answer. A vendor should explain comprehensively the specific process that "X" represents.

A high level of detail should be visible in vendor demonstrations as well. If a vendor treats the demonstration as simply another 90-minute performance, this should raise red flags. The demonstrations should give you a clear look into the system, and the presenter should answer your questions in depth during the session. If they need to get back to you on an item, make sure the issue is addressed, and pay attention to how quickly they respond.





**JIM DUSENBERY**

Jim Dusenbery has a wide background working with law and other professional services firms to select, implement and optimize their financial systems. Contact him at [jdusenbery@sourcegroup.com](mailto:jdusenbery@sourcegroup.com).

Before making the final decision on a system, remember to consider the unfortunate reality that something at some point will go wrong. Confidence that the vendor can fix these problems is invaluable. Consider this point when negotiating contracts with vendors.

**Consider Professional Assistance**

Many firms turn to professional experts to guide them through the selection process and subsequent implementation, while other firms believe they have the necessary resources to manage the project in-house. Only your firm can decide which route to take, but many options are on the table.

Bringing on a third party to assist with your financial system selection has the potential to lead to a long-term business relationship. If your firm hires third-party help, there are several questions to ask to help you select the right company:

- » Are they product-neutral, or do they participate in reseller agreements with system vendors?
- » Do they have experience working with firms of different sizes, or will we be getting one-size-fits-all treatment?
- » Are they experts in a range of products, or do they only know select systems?
- » When was their most recent selection work, and how long did it last?
- » Do they possess the expertise to review our vendor contract and identify reasonable maintenance costs, user and system support hours, premium costs for off-hour support, and related nuances?
- » Are they aware of industry trends and what other firms are doing?

In addition, third-party firms should never tell you which system or systems to select — they should only facilitate the process.

**Did Your Firm Make the Right Financial System Selection?**

No financial system selection is perfect, as there will always be bumps along the way. However, following these tips will ensure your firm is prepared for what lies ahead. Spending the time and resources to gather and apply proper product expertise and selection procedures now will save your firm handsomely in the future. **ILTA**



This article was first published in ILTA's October 2016 white paper titled "Financial Management: More Than Graphs and Charts" and is reprinted here with permission. For more information about ILTA, visit [www.iltanet.org](http://www.iltanet.org).