

Will Your Potential Software Vendor Meet Your Requirements? *How to Know if You Are Getting the Real Deal Through References* Curt Finch, CEO, Journyx

When you are making a considerably large investment in business software for your company, you need to be sure that you are making this purchase from a reputable vendor that will be there to support you in the long run. But how can you be sure that your vendor of choice will meet all of the requirements you have? One thing that goes a long way towards giving you peace of mind is obtaining and checking references.

Getting a small list of happy customers that your vendor has helped – i.e. some *references* – is an important part of the buying process for most businesses. You must realize, however, that there is both a good way to check references and a bad way to do it.

Are you checking references the right way? In other words, are you getting the data you really need to make this critical purchasing decision? Or are you talking to one of the vendor's **own employees** who is simply **pretending** to be a happy customer? Sound unbelievable? As a CEO with years of experience in the software industry, I can tell you that unfortunately, this does happen, so you need to be sure to protect yourself and your investment.

Is it Really Necessary to Check References?

I know for a fact that there are software companies (one of my company's competitors, in fact) that are guilty of exactly this type of scam. The Internet allows many dishonest companies to appear bigger and more successful than they really are because, after all, a professional-looking website can be created quickly and easily with little expense. Clearly this is not evidence that the company has been in business very long or is highly regarded among its customers, but few people realize that at first glance.

The purpose of checking references bears repeating: It is imperative that you verify that your potential vendor has had *successful* rollouts of their software solution in the past in order to be sure that they aren't just selling shelfware that you eventually will not use. You also need to know that they have helped businesses that are similar to yours – of your size, in your region and in your industry – in order to ensure that they will be able to meet your requirements properly. Of course, the perfect reference is a customer that is similar to you and is also located in your city so that you can actually meet face-to-face.

Why is this so important? Think about it – if the vendor that you are considering purchasing a solution from is willing to lie to you about references, you have to wonder what else they are lying to you about. If they are being dishonest in this manner, you know that there is no reason to trust them about anything else they're telling you.

Doing it The Right Way

So what steps can you take in order to know, beyond a shadow of a doubt, that the vendor's references will give you the information you need? How can you be sure that they are real references and not relatives of vendor employees?

Well folks, it's time to don your detective hat and investigate!

Eight Simple Steps Towards Confirming Reference Validity

- Know that if the reference calls you (as opposed to the other way around), you should probably be suspicious. Think about it: What kind of professional has time to do that? If

this does happen, tell the caller that you are unavailable at the moment, and schedule a time to call him or her back *at his/her desk at his/her company*.

- Have the potential software vendor give you a full name, title, company phone number, company address, and email address for all of the references that you will be contacting, which should be at least three per vendor. Do not accept Hotmail, Gmail or Yahoo email addresses, or any other temporary email service that anyone can sign up for. Such email addresses are not indicative of a real company. Ask for their official company email address instead.
- Do a quick Google search in order to ensure that the reference company actually exists. Does its website url address match the Internet domain name of the email address that was given to you by the vendor? For example, if the reference company's name is "Aggleman Architecture" and the reference's email address is john@agglemanarchitecture.com, then go perform a search on Google for that company name. See if www.agglemanarchitecture.com is one of the top results you come up with in your search.
- Analyze the reference's website for business model appropriateness. Ask yourself if this reference company is similar to your business. You may not think this is an important step, but consider the following: Software used by a hotel may not be appropriate if you have a requirements consultancy. Also, your company may sell mostly to other companies or directly to consumers instead. You may handle many transactions and customers per year, or only a few. Regardless of your company's specific attributes, the references that the vendor provided you with should be as much like your own business as possible. That is the only way to know that the vendor is capable of meeting your specific business requirements.
- This is the most obvious step but surprisingly enough, most people don't do it. You actually have to **call all the references** and have a conversation with them. It is extremely important to actually do the research rather than accept a list of names as proof of a successful vendor. In doing so, you may be averting a situation of wasted money, time and effort for your company. If you make the time to call all the references, then you will have earned your salary and played a significant part in your company's purchasing process.
- Call the reference company's main number and ask to speak to your contact *rather than just calling the number you were given*. This way, you can find out if this is a real company with a real phone system. See if they have an automated company directory. When possible, speak to a receptionist in order to confirm that the reference executive works there. Tell him or her why you are calling, and ask if they know who else might help in this matter. You must verify that the reference executive is actually an employee at this company before you speak with him/her directly.
- Leave a voice mail message *and* send an email. Follow up your phone calls with a thank you email to the address that was given to you by your vendor.
- When all is said and done, if you still have reservations about the credibility of the reference, do a search for the company's domain name on the Whois Search website (located at <http://nikkelhost.com/whois/whois.php>). This will allow you to see how long they have had the domain, as well as who created it. You can also use Wikipedia to match up locales with area codes (at http://en.wikipedia.org/wiki/List_of_NANP_area_codes) in order to ensure that your reference's company really is where they say they are.

What to Find Out About Your Vendor

If you have determined that the reference is a good one, then there are several pieces of information you need to get from them. Here are some sample questions that you can ask:

- How many phases did the potential vendor have in the rollout of the software?
- Did they encounter any problems? If so, which ones?
- Was there anything that the vendor could have done to make the rollout process easier?
- Were all of the people in the company as professional and easy to work with as the friendly salesperson?
- Were there any requirements that the customer listed during the sales process that were not sufficiently met by the vendor during rollout and product usage?
- Are all of the functional areas of the software being used that the customer expected? Why or why not?

Obtaining this data from the reference/customer will help all three businesses – the reference, the vendor and your company – communicate properly and share necessary information. Additionally, it will most likely convince you that you have been talking with a *real* satisfied customer, not a fake one.

Any company can easily come up with one or two "friends of the family" to serve as references for them. Such false references can be business owners that are local and known to the company, or any other professional who is too close to be objective about the performance of the software vendor. This is why asking for references in your location or industry is so important, as well as getting a list of several different ones to call and speak with.

If you follow these eight simple steps for testing the references you have been given, you won't be tricked by a dishonest vendor. Furthermore, you will be much more likely to get the right software solution in place – one that will lead your company to greater business success.

About the Author:

Curt Finch is the CEO of Journyx (<http://pr.journyx.com>), a provider of Web-based software located in Austin, Texas, that tracks time and project accounting solutions to guide customers to per-person, per-project profitability. Journyx has thousands of customers worldwide and is the first and only company to establish Per Person/Per Project Profitability (P5), a proprietary process that enables customers to gather and analyze information to discover profit opportunities. In 1997, Curt created the world's first Internet-based timesheet application - the foundation for the current Journyx product offering. Curt is an avid speaker and author, and recently published "All Your Money Won't Another Minute Buy: Valuing Time as a Business Resource".