

6 Questions the Uncover the Truth About Software Services



A simple approach to revealing the truth behind the sales pitch

Executive Summary

First things first: yes, DragonPoint is a software services vendor specializing in custom software development.

So why are we sharing secrets that will help you get the real story about us and other software services firms?

We're happy for you to discover the truth about DragonPoint. And while we would love for you to ask us these questions and decide that we're your best choice, we know we are not the right solution for every software development challenge.

We want you to be satisfied with your vendor – whether it's DragonPoint or a software firm around the corner from your office. But **when you're evaluating new potential vendors, how do you know which one will meet your requirements?**

While sales pitches are informative, they do not provide you with the insight you need to really understand each vendor's capabilities.

That's where these questions can help. Based on more than 25 years in the software industry, we know that clients are satisfied when their expectations are met. The Hinge Institute recently published results of their multi-year study of more than 2000 buyers and sellers of professional services, and their conclusions agree with ours: the top reason buyers of professional services are loyal to their vendor (satisfied) is that the vendor delivers on its promises.¹

If you use these six questions - and persevere until you get the answers you deserve - you will find a vendor who will deliver on its promises, on time and in budget.

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Introduction

Do the demands of daily operations force your software development team to extend deadlines for new projects?

Are stakeholders grumbling about delays for high priority software system enhancements?

Do you dream about cloning your best project manager, programmer, and database guru so you can get everything done on time and in budget?

If the technology unemployment rate of 2.7%² convinced you that you'd prefer outsourcing to searching for permanent, full-time employees, your next question may be: [How do I avoid a healthcare.gov type of project?](#)

How can you identify a great software partner *before* you invest time and money? **Use these six questions to help you identify a vendor that will meet your requirements on time and in budget.**

1. How will you personalize your service for me?

You deserve customized service. If a prospective vendor looks surprised at the idea of personalizing service specifically for you, end the interview.

One of the things a vendor should offer to personalize is communication, because a successful partnership depends on sharing information in a way that works for you.

If your vendor asks questions like the following, you'll know they are willing to customize their approach to meet your personal preferences.



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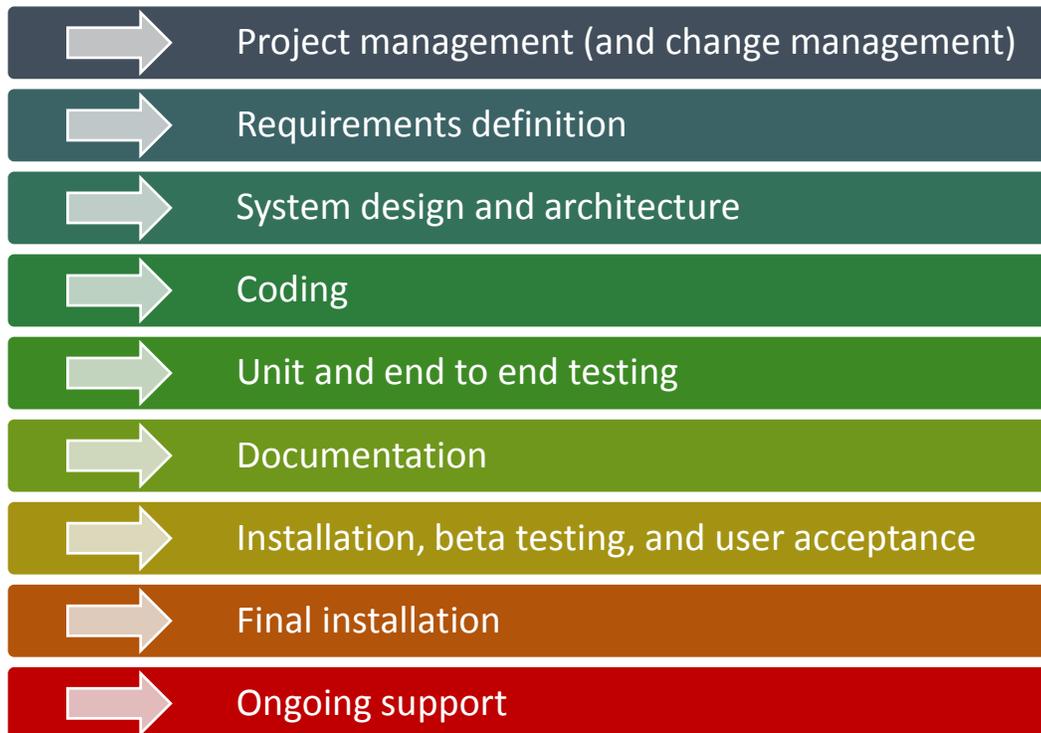
- **How often do you want status reports?** This may vary depending on the size of the project. For a small project with tight deadlines, you may want a daily update, especially if it's your first project with a new vendor. For longer or larger projects, you may want a weekly or bi-weekly update.
- **In what format would you like to receive status reports?** There are many ways you can get an update on the status of your project. For a critical project with a short deadline, you may want a daily conversation to identify progress and discuss challenges. For longer projects, you may want a weekly written report showing progress per task. Perhaps you want only a high level report, or you may want the vendor to provide you with a detailed description of work completed by each person on the team, including dates and hours per task.
- **How do you want us to communicate with each of the team members in the project?** The method of communication may vary depending on the purpose. The vendor's project manager may provide your internal project manager with a written weekly status report showing detailed progress for each task, or they may decide to schedule a daily or weekly phone call. Your technical team may ask the vendor's software developers to send an instant message to request quick answers. Perhaps all team members will use a shared task and issue tracking system using tools such as Microsoft Team Foundation Server or one of the online team collaboration and project management tools such as Basecamp or Flow.

Communication is vital to a healthy and productive relationship with your vendor, and it's not a "one size fits all." Be sure your vendor wants to customize communication to fit you and your team.

2. What are your standard processes?

Ask your vendor to explain their standard processes to you, and if they have documentation of the processes, that's even better.

Standard methodologies should be in place for all aspects of a software project including:



Ask how the vendor selected their standards. Look for answers that prove the vendor has invested time evaluating past projects to determine what works (and what doesn't); standards should employ lessons learned to maximize future project success.

Look for the vendor's willingness to be flexible. If your organization has a preferred standard methodology, make sure your vendor is willing to adapt to your processes and follow your standards.

Pay attention if a vendor explains why you might consider changing your standards to improve project success. The manner in which the explanation is delivered and vendor's response to your decision will give you a preview of future interactions. A respectful and calm articulation of reasons for change is a good sign that future differences of opinion will be handled in a similar manner. **If the vendor is arrogant, argumentative, or insists that his way is the only right way, end the interview;** when the vendor exhibits this type of behavior early in the relationship, assume it will get much worse when you face challenges during critical and stages of the project.



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Although a great methodology can't guarantee software project success, if you and your vendor follow different methodologies, it significantly increases the probability of project failure.

Here's a simple example of how different change management methodologies could create problems. Software Vendor A's standard is that approved additions or changes to the scope extend the project completion date and increase cost. Their client, Company B, has a delivery date that is set in stone and a budget that cannot be exceeded; they reprioritize all tasks when new requirements are identified, and they defer low priority tasks to a future phase in order to complete the core project on time. Following Vendor A's process, Company B would see the project as late and over budget.

3. How have other companies used your software to improve their business?

Look for an IT partner who understands that software is a business tool. It's tempting for people who work with technology to focus on the latest and greatest and fastest and slickest tricks software can perform. If your prospective vendor talks more about technology than about business, tell them goodbye.

A good IT partner can explain how their clients use software to increase revenue, decrease cost, meet legislative or financial requirements, or give the business a competitive edge. Ask for specific examples. If work was performed under a non-disclosure agreement, the vendor should be able to describe the business challenge and how their software solved it without releasing the client's confidential information.

Your vendor's goal should be to understand and meet your unique business needs. **A good vendor won't start with a "one size fits all" preconceived solution, because "one size" really fits about 1% of the world, while the rest of us end up with something that swallows or squeezes us.** A good vendor will use experience and your needs to tailor a "right sized" solution to your specific requirements.



The vendor's first job should be listening to you to gain an understanding of how your business process works and how software can improve it. Your business needs should determine whether the vendor recommends buying a package, writing a new custom

application, enhancing existing software, or integrating packages you're already using.

Look for an IT partner that can do more than just write code. If your vendor brings a focus on business processes to your software development projects, they'll help ensure your systems are efficient and support your business objectives.

4. How long have you been in business, and what's your average employee tenure?

You're making a substantial investment in finding the right IT partner and familiarizing them with your business processes and objectives. To reap the biggest payoff for your investment, you want a long term relationship with your IT partner and its employees. Ask the vendor for specifics such as:

- **How long have you been in business?** A technology company launched prior to 2000 has survived the post-Y2K and recession years and is likely to survive into the future. If the company was founded after 2008, gather additional information to verify its potential for the future.
- **Is work completed by your employees, or do you sub-contract projects?** To maximize your investment, the project managers, designers, developers, testers, and documentation writers assigned to your application today should be the ones you will work with next year when you need a modification or enhancement to your system. To get the best long term support from your vendor, verify that all work will be completed by their permanent employees, not by sub-contractors or temporary coders that change with every project.

Once you confirm that work will be completed by the vendor's employees, ask about employee retention. **If your vendor has a good retention program, your project is more likely to hit your targets for content, time, and cost.**

Why? A development team that has worked together for two years or more has identified the strengths of each team member and figured out how to maximize the team's productivity. An established development team is likely to deliver clean code faster than a team of comparably talented individuals who have no experience working together.



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- **May I speak with two or three clients with whom you have a long term relationship?** Vendors who have been in business for many years should have long term relationships with clients that are happy to talk with you about the vendor's performance. Don't just get the names: call them. Ask the references about the kinds of projects the vendor completed for them, challenges they encountered, and how obstacles were overcome.

Ask about the employees with whom they worked. How would the reference rate the employees' skills? Did the same employees work on multiple projects for the reference?

Get as much information as possible. Since these are reference accounts, they should have great things to say about the vendor. If one reference has poor feedback, give the vendor a chance to respond. If you're getting consistently weak endorsements from references, ask yourself what the rest of the vendor's clients (who are not references) might have experienced. Is there a reason your relationship with the vendor might be different?

Maximize your investment in finding and building a relationship with the right IT partner by choosing a vendor with a proven track record and long term employees.

5. What skills do you offer?

Many skill sets are required to successfully complete a software project, and a person with expertise and skills in one area is probably not the one best suited for another role.

The **project manager** (PM) needs to be organized, good with follow-up, attentive to details, and skilled in communicating with business and technical teams. They also need the ability to get buy-in from individuals and facilitate a team responsible for approving and prioritizing requirements. The PM will be your primary contact during your project.

If possible, ask to have the person who would be your PM describe her methodology. She should give you specific examples of managing deliverables, keeping clients informed, and exceeding shareholder expectations. If you find it difficult to communicate with the PM, ask yourself whether this would be an ongoing issue throughout your project.

To **develop system requirements**, one listens to business needs and translates them into quantifiable functional and technical specifications. In addition to strong writing and listening skills, someone developing requirements must quickly synthesize a high volume of information and work with technical and business subject matter experts to identify the screens, reports, and functions necessary to achieve your business goals and solve your company's challenges.

The **system architect** creates the technical infrastructure for the system, and the **database designer** (or analyst) builds a foundation that will effectively support the application and meet performance requirements, including speed.

Software developers write code that makes the screens and functions work as designed in the requirements document. **Report writers** understand how the data is structured and know how to get it into a format that makes sense to you.

If your company requires standard software development tools, such as Microsoft .NET or Microsoft SQL Server, the database designer, developers, and report writers will need experience with your tool set.

The **technical writer or documentation specialist** needs the ability to clearly explain in writing how to make a system work. The best **testers** understand how the system should operate based on the requirements document. With this understanding, they follow a structured approach for pressing every button and entering good and bad data into every field to ensure the system performs correctly after both expected and unexpected input.

What skills does your project require? For a complete new system designed from the ground up, you need a full project team. For a smaller project, such as a new report, you may need one or two specific skills instead of the whole team.

Investing in a relationship with a company that has a team of employees experienced in each skill set assures you that you'll have the right people to meet your company's IT needs for your current and future projects.



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6. What went well in previous projects, and what went wrong?

This is similar to conducting an interview with an individual and asking about the person's greatest strengths and greatest weakness. If someone tells you they have no weaknesses, you should wonder about their self-awareness or their honesty! Similarly, you should be skeptical if a company tells you that every project completed was a success.

You want a vendor who can talk about previous successes in detail, including the business purpose of the project, their recommended solution, and how it solved the business problem. They should be able to describe the technical aspects of the solution, but the focus should be on achieving business results, not using the latest technology just because they could.

Ask about the types of challenges they faced on a successful project and how they overcame obstacles, because every project has at least one and generally more. You want a vendor with a track record of getting around the inevitable technical or human roadblocks your project will encounter.

You also want the vendor to describe a project that did not go well and the lessons learned. Does the vendor accept responsibility for some of the problems or try to place all the blame elsewhere? After an unsuccessful project, did the vendor analyze the issues and make changes to prevent similar problems in the future?

The way the vendor describes a project that failed or fell short of its objectives will give you some interesting information. You'll learn how the vendor builds on past experiences and accepts responsibility for problems. You may even get an idea of how much honesty you can expect.

One More Time: Communication is Critical

Someone call tell you, "I am an excellent communicator," but you can't be sure of it until you have a conversation with him or read something he has written.

The dialog that develops around these six questions gives you the opportunity to find out how well your vendor *really* communicates, so it's important that you talk to the people with whom you'll be working on your project, not with the salespeople. Does the vendor speak clearly, or do they mumble or talk too fast or too softly? Does the vendor use standard, understandable business language, or do they use confusing technical jargon?

Does the vendor ask applicable questions and listen to your answers? Do they take notes and ask for clarification? Do they demonstrate understanding by restating information you have provided?

Ask for samples of the vendor's work, such as a requirements document, status report, or description of a standard business process, that demonstrate writing skills. Is the information presented clearly and communicated effectively? If you find issues such as misspellings or poor layout in the samples provided during the sales process, you're probably going to have the same problems during your project.

When you interview a vendor, they are trying to impress you and win your business. They're showing you their best, **so if the communication is not up to your standards during the interview process, be careful: it's not likely to improve.**

About Hiring Your Own IT Team

If the shortage of qualified technology employees doesn't scare you away from searching for permanent full-time employees, then [you have to decide who to hire](#): project manager, system architect, developer, or tester? You'll invest in finding qualified applicants, interviewing, hiring, training, and managing your new employees, as well as providing office space and development tools (hardware and software).

When the backlog is under control, will there be enough ongoing work to keep them busy?

Do you have the time and expertise to manage an internal IT organization?

Hiring permanent full time IT employees to fill each skill set may not be easier or cheaper than outsourcing.



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You can do it!

You *can* develop an effective, long term relationship with your software vendor. Use our six questions to uncover the truth and choose the right technology partner to help you **reduce project backlog, meet stakeholder deadlines, and deliver on time, in budget solutions.**

Sources

¹The Hinge Research Institute, “Inside the Buyer’s Brain.”
<http://www.hingemarketing.com/library/article/book-inside-the-buyers-brain>.

²Ravindranath, Mohana (2014 April 9) *Tech unemployment drops to 2.7 percent in the first quarter of 2014.* http://www.washingtonpost.com/business/on-it/tech-unemployment-drops-to-27-percent-in-the-first-quarter-of-2014/2014/04/09/391848cc-bffe-11e3-bcec-b71ee10e9bc3_story.html

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