

# SOFTWARE BUYING GUIDE

How to Find the Right Software for Your Company

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# INTRODUCTION

Software provides many benefits to organizations of all sizes, in all industries around the world. It helps to streamline operations, reach new markets, automate burdensome manual processes and accelerate time to market.

The challenge is in finding the *right* software. Whether you work for a small or large company, for-profit or non-profit, buying software for your organization can be overwhelming. Dozens or even hundreds of software solutions may address your needs, and arriving at agreement and managing expectations among all parties affected by the new software – end users, executives, finance and IT – is a true challenge.

Because of this, the resulting software purchase is often not as successful as it could be. What can go wrong? Implementation may take longer than expected. Costs may be higher than anticipated. Employees may be unhappy with the usability of the solution. And, in some cases, a company may simply settle for the easiest choice without doing the necessary research to find an optimal solution.

Capterra's mission is to help you find the right software. Our comprehensive and constantly growing database of software solutions saves you the hassle of time-consuming

research. We help you quickly identify all of your options and narrow them down to a short list of several alternatives.

The purpose of this Software Buying Guide is to help you along the path to finding the right software and managing a successful software implementation. If you are in the market for software, the next fifteen minutes of reading should prepare you for the weeks it may take to decide upon the right solution, and the years of benefit you will derive from your purchase.

In this guide, we will explore **5 key steps to buying software:**

- Articulate your software needs based on your business goals.
- Optimize your business processes before implementing new software.
- Identify ALL software options.
- Narrow these options to a short list of well-targeted alternatives.
- Compare the short-listed solutions and make a final decision.

### **Business Goals and Requirements**

The first step of the buying process involves clearly articulating your software needs and ensuring they are aligned with your business goals. Following this, you can determine and prioritize specific requirements. Include all stakeholders in these discussions – end users, executives and appropriate finance and IT personnel. In addition to your process-specific needs, include the following considerations in your requirements discussions: usability - particularly if you will use the software on a daily basis; growth potential - how well the software will match your future needs if you plan to expand your current employee and revenue levels; integration - the ability to interact with other software products may be critical.

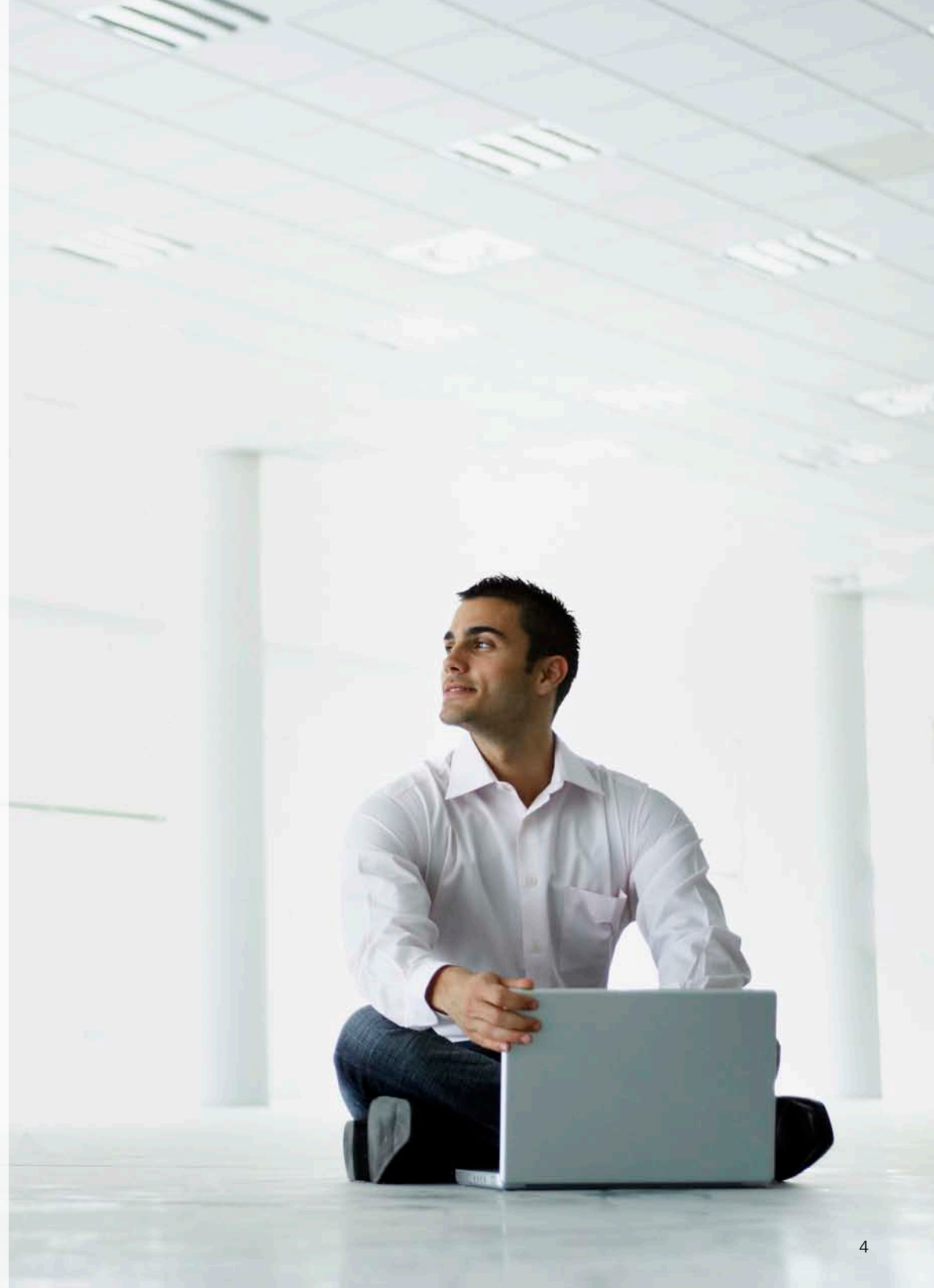
### **Business Processes**

Outline existing business processes that the software will affect. Note any problems or limitations, and determine how these processes can be improved. This is a great time to consider the reasoning for each process and task and whether there is a better way to achieve the end goal. Consider aligning processes with industry standards and best practices.

### **Build vs. Buy**

If you have in-house technical expertise, determine whether it makes sense to build or buy the software. Consider the following:

- Does your team have the necessary expertise to build the software?
- How much time would it realistically take to build?
- Is that time better spent on other activities?
- How customized are your needs?
- Are viable solutions offered externally?



## Identify Software Options

This step involves creating an exhaustive list of all the software solutions that seem to meet your needs. With the number and variety of innovative solutions available on the market, it is important to conduct research and be as inclusive as possible in the early stages of the purchase process. Starting with a complete list of options decreases the likelihood that you will miss a product that is a good fit for your needs.

After creating a list of all potential solutions, the next step is to narrow it down to a manageable list of realistic options. Consider the following questions:

- Does the solution satisfy your most important requirements?
- Does the solution satisfy some of the less important, “nice to have” requirements?
- How user-friendly is the solution?
- How easy/complex is the implementation?
- How customizable is the solution?
- Does the solution require changes to your business processes?
- Does the vendor have customers similar to you?
- How compelling are the vendor’s testimonials/reviews?
- How innovative is the solution, compared to others on the market?

Much of this information can be gathered online. Once you have answered these questions, you should find that most of the solutions on your initial long list can be removed. The resulting short list should include approximately three to eight solutions. If your list falls outside of this range, it may be worth revisiting some of the vendors that you included or excluded.

## Making the Final Decision

Contact the vendors on your list to determine final pricing and service levels, as well as to view product demonstrations and training materials. References from current customers that have needs similar to yours can help tremendously. A final factor worth considering is how helpful and proactive the vendor appears to be in the sales process. This is often an indication of how easy they will be to work with once you are a customer. In many respects, your relationship with the vendor will be a partnership, and you will want to find out what sort of partner they will be.

## Additional Considerations

The following areas should be taken into consideration before purchasing a solution:

- **Updates:** Ask how software updates are handled and if there are any scheduled for the near future.
- **Pricing:** Evaluate the full cost of the solution based upon the negotiated license, support, maintenance and upgrade fees as well required hardware, implementation and training. Any required changes to business processes should also be considered.

### FACTORS TO CONSIDER:

PRICING  
SERVICE LEVELS  
PRODUCT DEMONSTRATIONS  
TRAINING MATERIALS  
REFERENCES  
RESPONSIVENESS

# SOFTWARE BUYING CHECKLIST

1. Articulate what you need the software to do.
2. Ensure these needs are aligned with your business goals.
3. Outline existing processes that the software will affect.
4. Note any problems or limitations.
5. Consider how these processes can be improved.
6. Determine and prioritize software requirements.
7. Decide whether to build or buy the software.
8. Identify all potential software solutions.
9. Match each solution with requirements and remove those that do not match.
10. Solicit recommendations from peers.
11. Narrow the list of solutions to a short list of alternatives.
12. Contact each vendor.
13. View product demonstrations with input from end users.
14. Speak with references.
15. Negotiate terms of contract.
16. Make final purchase decision.

## CONCLUDING THOUGHTS

Every organization has different software needs. Therefore, simply selecting the “market leader” will often result in a less than ideal solution. Because the search for software requires valuable time, it is tempting to cheat the process and take shortcuts. Unfortunately, this can come back to haunt you. Be patient, include all stakeholders, manage their expectations and consider all of your options, and your software purchase decision will be a smart one.

### **How Capterra Helps**

Capterra maintains the largest available database of business software solutions and helps you to quickly identify all of your software options and narrow them down to a short list of several viable alternatives. This would normally take days or weeks, but with Capterra this can often be accomplished in hours, or even minutes. To get started, visit our homepage at [www.capterra.com](http://www.capterra.com) and choose the most appropriate category for your needs. Once you select a category, be sure to use the tool on the left-hand side in order to narrow your choices to a more manageable list. If you ever get stuck, feel free to submit your software needs via the RFI (Request For Information) form. Good luck!