ProspectSoft

Integration vs 'integration'

Written By Stuart McLaren

"Don't imagine for a minute that half-baked or completely failed software integration doesn't cost UK SME's a fortune"

Introduction

Worryingly, he looked exactly as you would expect a slick IT salesman to look, but I still asked him 'can you integrate this new software of yours to my existing accounting system?' With a flick of his hair and a suspicious looking grin he replied 'yeah of course we can, we can integrate to anything, no problem'.

But that precisely is the problem.

This is a problem that has been well publicised:

'The government write off Labour's £12.7 billion NHS software integration project as a complete failure'

'J. Sainsbury write off £260 million & employ 3000 extra temporary staff to manage stock manually'

OK – you aren't the NHS, and you aren't J. Sainsbury, but that is simply a matter of scale. Yes, Sainsbury had to employ 3000 staff to temporarily overcome their IT integration disaster, and you probably won't have to do that. However, don't imagine for a minute that half-baked or completely failed software integration doesn't cost UK SME's a fortune as well.

Let's begin by framing the questions that should be addressed:

• Why do we want integration?

• What is actually meant by integration?

• How can true integration be achieved by an SME?

Perhaps most importantly:

• How can you be certain that it will work?

• Can you go live in a reasonable time frame?

Why do we want integration?

This may seem like an obvious question, but it is worth reminding ourselves of the benefits that truly integrated IT solutions can bring to a business.

Naturally we are talking here, in broad terms, about front & back office integration. I have my back office system that handles my accounts, my stock control, my order processing, my invoicing, and my debt chasing – for some perhaps some light manufacturing or manufacturing assembly.

I also have my front office systems, that typically include all of my sales & marketing functions, but also sometimes my aftersales / helpdesk as well. These systems could include CRM (with quoting), eCommerce, eMail Marketing and document generation (Word, Excel, Outlook Email, Images).

The efficiency gains and benefits of doing this (properly) are huge:

- Information sharing – the right answer in the right hands at the right time
  - Pricing
  - Stock availability
  - Previous purchases
  - Credit limit & availability
  - Outstanding quotations / orders / deliveries / invoices
  - Visibility of all communications
- Powerful combination of information sources
  - Market to all customers that spent over £X but haven't had a face to face visit for Y time.
  - Call all customers that bought product A but not product B in the last month
  - Compare sales effectiveness based on value / product / area / timeframe
  - Look at marketing effectiveness based on responses and actual sales figures

- Avoid in-efficient re-keying
  - No more price lists (out of date) in multiple places
  - Contact details won't be stored in everyone's own Outlook contacts
  - Less errors from when quotations are stored locally & then re-keyed when ordered
  - No need for emails to be copied & sent to multiple recipients unnecessarily
  - No more documentation held in physical files & lost around the office
  - Less time spent manually gathering and wrestling with information for reports in Excel
  - Reduce the hours & hours of staff's time spent searching, checking, re-keying and correcting mistakes

So the case for (properly) integrated solutions are pretty clear!

What is actually meant by integration?

This is perhaps the nub of the problem, and is where the greatest mistakes can be made.

'One man's integration is another man's devastation'

A quick and ill-conceived integration, is never a good idea, and can end up being less than useless.

We know how complex integration can be, we also know that integration is an ongoing process. As software changes & new versions are released the integration must continue working.

Integration is not solely about data, but also about efficient process, and the intelligent combining of data. As in the example above, putting together a list of customers who have spent more than £X in the last 6 months and whose account manager has not had a face to face meeting with key decision making staff in the last 4 weeks. This requires a combination of information from my back office accounting system, my CRM customer data, and activities from my field staff.
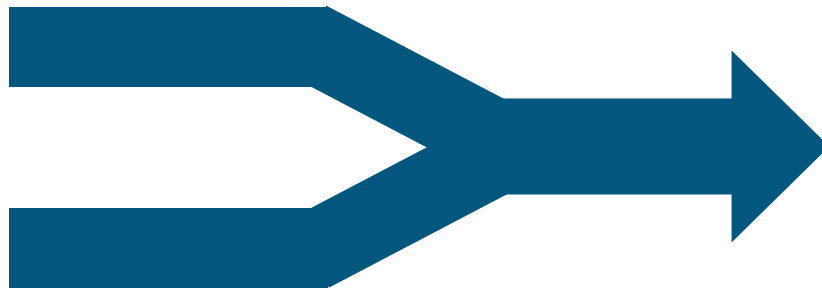
True integration is not about uploading / downloading lists, but rather about creating seamless and efficient processes that allow me to combine my systems so that I have one place to go for a full picture.

How can true integration be achieved by an SME?

In some ways it is easier for an SME to achieve the nirvana of a truly integrated solution than it is for corporate enterprises. The incumbent solutions tend to be more modern, with more commonality, rather than the bespoke and quite often legacy systems running at a corporate enterprise.

There really are three choices for an SME when trying to achieve integrated systems:

1 Implement an 'all-in-one' solution; an option that may begin to make sense if you were starting with a blank sheet of paper (brand new company). Although, user licences are often more expensive than they need to be because of the lack of separation. However, for SMEs who have been in business for some time, changing the main accounting solution that runs the back office, is a major upheaval and is likely to cost a significant amount in both monetarily and days and days of staff time. Let alone the loss of vital historic data, by starting over with opening balances. The less obvious but perhaps even more important issue with the 'all-in-one' is just that... the providers of these solutions are trying to cover some VERY different disciplines in their processes and development, the old adages of 'Jack of all trades – master of none' and 'Best of breed is best of all' both hold particularly true here.

2 Go for a non-integrated set of products and get them integrated specifically for you (or a very small group of companies); This is perhaps the most dangerous and most expensive option. Whilst getting data from one place to another is certainly possible these days, it's the processes that end up missing here . Ask yourself the following questions...can I check stock when generating a quote?, what available credit limit does each customer have?, will the special pricing that I hold in my back office be respected in the front office?, can I integrate the creation of new customers in my back office once they place their first order?, and so it goes on and on and on. These are the kind of process that can become inefficient without integration. Worse than that, it is highly likely that as new versions of one system or the other are released, you may find that you can't upgrade – or face paying for the whole job to be (half) done again!

3 Find the best of breed solutions to match what you already have, where the companies involved have official partnerships. These companies who have worked together for years share a significant amount of customers with solutions that are truly integrated, and have been so on an ongoing basis for years, through multiple upgrades and versions. The benefit here is that you can check with some existing customers that what is being promised has been and can be delivered. When you read through this it seems like the most obvious thing in the world! You end up with the best solutions, delivered by people who care passionately about their chosen area of expertise, and work together with other like-minded companies to deliver a truly integrated SME solution that can transform their ability to efficiently perform as a business.

How can you be certain that it will work?

This is clearly critical, and actually is relatively easy to pin down. Make sure that you receive a detailed solution demonstration from the supplier(s) & ask the key questions about process integration, you will be able to judge from the responses whether this is really understood or not.

Then – insist on speaking to a few customers that are like you who have used the integrated solutions for some time.

Finally, get detailed information about the project plan for integration & how it is handled, how much testing you will get to do and a view on how the training plan is written.

Adding an integrated solution to software that you are already running makes this more likely.

Implementing a complete change in every department at once is extremely risky, to the point where you may actually be risking the company itself.

Get the supplier to go through their project plans with you, these should be well defined and should certainly have been executed multiple times for customers.

Don't underestimate the amount of time and effort that you and your staff will have to put in, there is usually a trade off in project monetary cost and time and effort by you and your staff. Things like 'train a trainer' at your organisation puts you in control of the main training. Things such as data combining and de-duping from other historic non-integrated systems, preparation of corporate template documents, forms & report layouts can also be handled in a flexible way during the project. It can be your choice to speed up parts of the project by investing in having them done for you, or taking the time to get your own staff to carry out some or all of it.

Make certain that you there is a plan for the go live, post testing & training & then a review process in place to 'tweak' the solution once people have been using the system for 6 to 8 weeks.

Finally, don't pay for everything until you have signed off the project – any straight dealing supplier will leave you with a significant residual retainer until you sign off.

"True integration is achieved over years of partnership"

Remember, integration is an easy word to say, but there are far too many examples of ill conceived, half hearted, poorly executed, and short term data driven forcing together of software.

True integration is achieved over years of partnership, with hundreds or thousands of customers using, feeding back and honing the processes.

"Integration is about seamless & efficient processes not data transfer."