Avoiding the pitfalls when selecting a Technology Vendor
Common pitfalls and how you can navigate them safely

The consequences of selecting the wrong technology provider & solution can be catastrophic for any organisation. The press is full of stories regarding technology platform issues which can cause reputational and financial damage to organisations. Potential issues include security breaches, system downtime, and poor customer service. Often these can be traced back to the original selection of the technology vendor.

So how can organisations protect themselves from poor selection decisions, potentially resulting in brand and financial damage? The good news is that by following best practice, common pitfalls can easily be navigated safely.

Common pitfalls include:

- **Lack of a defined business & IT Strategy:** Obtain executive sign-off for your IT strategy, which must be informed from the organisation-wide business strategy. To have the best chance of selecting 'future-proof' technology, you first need to know where your business is heading.

- **Making assumptions:** Don't make assumptions; what is obvious to you may not be to a vendor. It is your responsibility to educate & inform them.

- **Poorly defined requirements:** Be clear on the requirements that makes your business unique – ensure you explain the nuances of your business clearly and early to potential vendors. Remember their product is typically designed for the mass market. If you do something atypical, you need to explain this early in the process.

- **Customising commoditised technology:** Use technology for the purpose it was designed for – avoid costly & complex customisation. This may mean that you should select multiple commodity components and integrate them, rather than customising a single solution.

- **Lack of business engagement:** Ensure the selection process engages Subject Matter Experts (SMEs) from across the business, not just from the IT function.

- **Lack of due diligence / methodical approach:** Do not rush the decision. Ensure you adopt a structured, methodical and evidence-based selection process.

- **Amnesia:** Throughout the procurement process there will be gaps in vendor coverage / known 'non-compliance', yet when it comes to User Acceptance Testing (UAT) the business can "forget" and raise issues that were known exclusions during procurement.

- **Lack of thinking around migration:** The approach to migration can have profound consequences on business teams and customer experience which need to be considered early in the 'discovery' phase.

- **Vendor ability to execute:** There will be times when vendors are running multiple programmes of work in parallel and are unable to scale to meet the needs of your implementation. If they are the right long-term partner, work with them to agree a mutually deliverable plan.

- **Vendor transformation**: Occasionally, vendors will be in the middle of an architectural transformation. Rarely is it a good idea to agree to implement on a moving target, so either wait or select a different partner.

With these pitfalls known, and assuming you have the strategy & requirements building blocks in place, focus can now shift to the selection methodology.

Depending on the number of potential candidates, you may be able to jump straight to a Request For Proposal (RFP), yet if there are many potential candidates, you may need to funnel them either via Request For Information (RFI) or even an Initial Desktop Assessment.
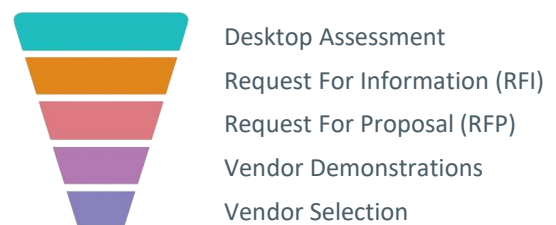

Desktop Assessment

Request For Information (RFI)

Request For Proposal (RFP)

Vendor Demonstrations

Vendor Selection

Fig 1: The Vendor Selection Funnel

Desktop Assessment

The Desktop Assessment is the first step in the process to sift out unsuitable candidates quickly & efficiently, without tipping your hand to prospective vendors. Before the DA can take place, organisations must be clear on their key requirements and the absolute 'non-negotiables' when it comes to a provider.

Defining the assessment criteria and then scoring each candidate enables a quick sift to reduce a long list of candidates to a more manageable list of no more than a dozen potential candidates who warrant closer inspection.

A common pitfall here is relying solely on publicly available information. Consultancies can really help here by bringing real world experience of vendors to the fore, enabling a more accurate assessment at this stage.

RFI

The RFI stage enables organisations to approach vendors directly and, under a Non-Disclosure Agreement (NDA), do a deeper exploration of suitability. This also helps gain an understanding about their values and ways of working.

This phase will assess the vendors against a broader set of criteria (typically 60-100 data points). Whilst this stage may look at high-level costs and timelines, these are usually laced with caveats and should be used for indicative purposes only.

The RFI is lighter-touch than the full RFP and can be used to sift out vendors who tick fewer boxes or potentially have an architecture or price point outside of your organisation's appetite. In figure 4, we show how you can expose different strengths and weaknesses to avoid the extremes in certain areas cancelling each other out. This stage should identify 3-4 vendors to proceed to the final stage.

RFP & Demonstrations

Vendors who get to this stage should be able to meet the majority, if not all, of your key needs. The purpose of the RFP is to identify a single vendor with the best Cultural, Architectural and Capability fit for your organisation.

The more capability a vendor can provide 'out of the box', or with configuration as opposed to customisation, the higher your chances of success. Other considerations should include non-functional requirements, financial stability, migration strategy, and their ability to support your needs within your desired timescales and budget. It is unlikely that a single vendor will win on every metric, so compromise is required to strike the best balance. Remember, vendors are skilled at completing these processes, so cutting through the spin is the key challenge here. It is crucial that you do not rely solely on the written responses submitted by vendors.

To that end, perhaps the most important aspect of this stage is the demonstration. Vendors should be tasked with demonstrating their capability, and they should also be 'tested' on their ability here to meet some of your unique and / or more complex requirements.
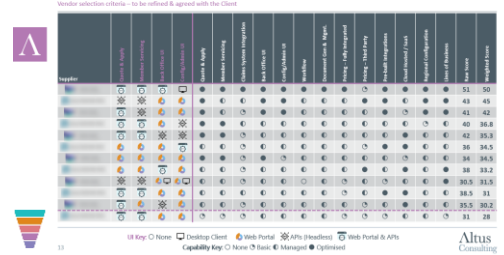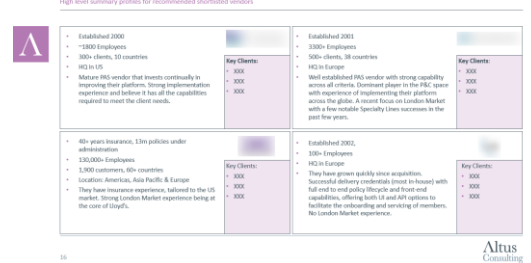

Fig 2: Desktop Assessment Comparison

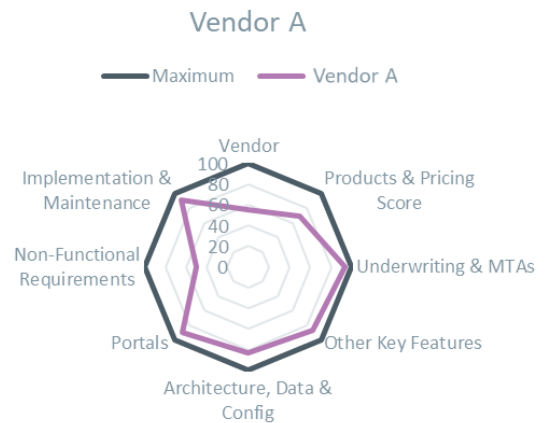*Fig 3: Desktop Assessment Vendor Profiles*

Fig 4: RFI Vendor assessment against key categories

A deeper strategy here can be to use a model office scenario, as it ensures all the functionality is as described and highlights any deficiencies in the platform. This will tease out a feel for how much effort is required to bring your solution into reality. Involving business SMEs at this stage, and providing vendors with clear requirements and time, is crucial to assess the solution accurately.

The final decision should be based upon a combination of RFP scores, demonstration capability, SME feedback (including a view of cultural fit) and finally time/cost.
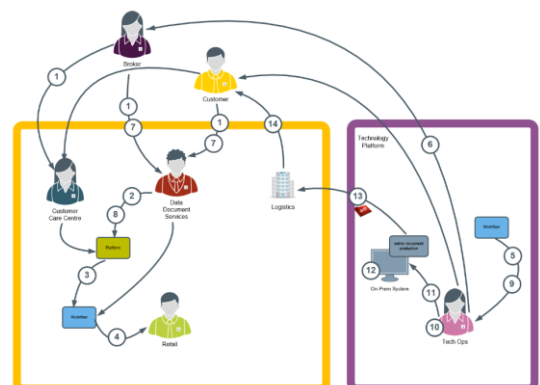

Fig 5: RFP & Demo Scenario Diagram

Vendor Selection Do's & Don'ts:

Do:

- Create a timetable for the RFP and have set milestones for submission of questions, the proposal and any demonstrations, each with ample time to ensure a thorough response.

- Be aware of vendors deviating from the process, timetable or requesting more access to the organisation.

- Give vendors as much notice as possible so they resource the RFP appropriately.

- Foster a culture of transparency and integrity throughout the procurement process, emphasising honesty and ethical behaviour from both your team and potential vendors.

- Create a a comprehensive RFP document that clearly outlines your business (customers, products, markets etc).

- Maintain open and clear communication with vendors, setting expectations upfront, providing feedback, and addressing any concerns or discrepancies promptly.

- Explain any of your unique processes to the vendor(s).

- Ask for how they would help solve some of your known issues.

- Allow vendors to ask questions and validate their understanding.

- Treat all vendors equally. Ensure all vendors receive the same information to keep a level playing field at every stage.

- Ensure you give vendors a clear brief in terms of how you want them to price. Give them the same metrics around policies/accounts, transactions, customers, channels, regions etc to ensure costs are comparable.

- Keep detailed records of all communications, interactions, and decisions throughout the procurement process to provide accountability and facilitate post-contract evaluation.

Don't:

- Start the process without a clear understanding of your future needs.

- Include vendors 'just to make up the numbers'.

- Run a process if the outcome is a foregone conclusion.

- Forget that how they follow the process, and the perception they give, can show how they plan and execute at a high level. You may include it as part of the scoring matrix.

- Use a generic question set which is not tailored to your individual needs.

- Expect vendors to know the intricacies of your business – it is your responsibility to educate & inform them.

- Exclude business SMEs from the process.

- Forget gaps in a chosen vendors solution. Identify what those gaps are and plan to close / solution them elsewhere within the scope of the implementation phase.

- Take the vendors response at face value. Reach into your trusted network and try to find people with firsthand experience of implementing the vendor platform, or independently verify case studies provided by the vendor.

- Forget about migration. Leaving migration planning to the end could introduce costly and complex dual processes, place undue strain on business teams, and provide a two-tier customer experience.

- Plan in isolation. The vendor will have their own constraints and dependencies. Work together to create a joined-up plan that both parties comfortable with.

Conclusion

Remember, the goal is not just to find a vendor, but to establish a long-term partnership built on trust, collaboration, and mutual benefit. With careful planning, diligence, and a commitment to transparency, you can maximise the value of your procurement efforts and achieve your business objectives effectively.

If you would like further information or support on a technology selection process, please contact Altus Consulting to discuss how we can help de-risk the process for you with our methodology, orchestration, and specialist domain knowledge.

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