


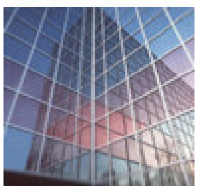

SupplyChainDigest™

Supply Chain Best Practice Tip: Doing Reference Calls and Site Visits Right

Too many efforts don't add much value; see our guidelines for getting results

No matter what you are buying, from software to consulting services, doing reference calls and sites visits is a key part of the process. Unfortunately, too many companies waste the effort.

Reference calls and site visits are a standard component of most vendor selection processes, yet an area that few companies actually execute well.

The problems are generally related to preparation, goals and focus. For example, many companies make a site visit with only a general idea of what they want to see and ask. Often, the entire process is led and orchestrated by the potential vendor, which obviously has a goal of maximizing how their customer's experience is positioned. Often, they are very good at managing this process to their benefit.

Site visits in particular are a timely and costly exercise, involving one or more days out of the office. Not performing them well not results in this expense for little tangible return.

To execute site visits and reference calls that deliver real value, SCDigest recommends following these guidelines:

- ❑ Have a clear set of objectives and questions you intend to pursue, and follow them closely. Share the objectives upfront with the reference customer of the vendor. Review the list before ending the call or the visit – if you missed key areas, indicate you have a few more questions, and ensure each area is covered.
- ❑ Evaluate how long the system or product has been in place. Most systems work pretty well eventually and almost always this is the case if the vendor is taking you to a specific customer of theirs. But you aren't interested more current information. Insist on seeing/talking to recent customers.
- ❑ On a related point, try to find personnel that were deeply involved in the project at the time. Often, site visits/reference calls involve talking to managers who weren't even part of the original project – all they know is that the current system is

running well. That doesn't tell you much about the relative success or failure of the original implementation.

- ❑ Similarly, insist as much as possible on seeing customers that are using the same version of software/hardware as you are being proposed. For very new products/versions, this may not be possible, which is OK but should also be counted in the risk factors. Be sure to understand just how many versions back the solution you are seeing is from what you are being proposed.
- ❑ While it is fine to have the vendor's sale rep lead much of the process, insist on some time alone with the customer.
- ❑ Focus the vendor on finding you reference customers that can demonstrate the specific capabilities, features or qualities that are most important to your project ROI and success. During the call/visit, focus on the use of those capabilities and if they have delivered success and ROI for that customer.
- ❑ There are always problems in any new initiative. How a vendor responds when those problems occur will be a key factor in your relationship and overall project success. Ask reference customers to give specific examples of problems/issues and how the vendor has responded.
- ❑ Ask to go over a project timeline with the reference. If the actual timeline differs materially from your plans or what you are being told by the vendor, find out why.
- ❑ Ask the reference what were key areas of difference between what their expectations were and what they experienced in multiple categories. Key areas should include product functionality; ease of implementation; quality; total project cost; internal resource requirements; ROI/payback/results.
- ❑ Immediately after the call or visit, get all those involved in the call/visit together to summarize and document the results.

Following these guidelines as closely as possible will lead to much improved results from reference calls and site visits, so that they can deliver real value to your selection process.

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