

# Technology & Business Insight – From Concept to Consumer

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## Is My Computer System Working For Me, or Is It Time For an Upgrade (and Can't I Just Ignore the Answer)?

By David Teeger, Teeger Schiller Inc. Finding and implementing the right computer system is a long-term investment in your business: Learn about the real price of delay and get some helpful guidelines here.

How often have you thought one of the following?

- It takes too long to enter all this information!
- Why can't I just see how much inventory I have and where it is?
- I can't get the report I want even though the information is in the computer!
- These reports don't balance. Which one should I believe?
- Why does it cost so much to have something changed?
- Why can't our computers talk to each other? I have to enter the same thing multiple times!
- Our competitors have this information; why can't we?

Too often, probably. You purchased your computer system from a vendor whose software was customized for your industry, who seemed to know what he was talking about, and whose references were all happy. So what went wrong? Potentially, a number of things. Most organizations embark on the extensive – and expensive – task of new system selection without having all the necessary parts in place. Choosing a new computer system requires planning, negotiation, analysis, project management and, maybe most important of all, experience. But seldom do the needed skills reside within a company's existing IT staff. Because businesses typically upgrade their systems every seven to 10 years (some at even longer intervals), their in-house computer experts' know-how lies in maintenance and tech support -- not selection. As a result, this vital task often gets assigned to the person in the company who "knows the most about computers." This is like asking a taxi driver to fix your car.

Worse, many business owners maintain a completely out-of-sight, out-of-mind approach when it comes to their systems. They have heard the horror stories about businesses heading toward the brink of collapse simply because they tried to implement a new system, so they sweep the issue under the rug altogether. Sure, they know their computers are essential. They know the effective functioning of their system is vital to the effective operation of their business. But intimidation, discomfort with the unknown, perceived lack of time, endless procrastination, fear of choosing the wrong system, or a simple aversion to spending money on anything other than new equipment or raw materials gets the better of them, and they turn perpetually in the other direction.

Are you one of those people? Do you adopt a hands-off attitude when it comes to your

computer system? Do you find yourself saying things like, "If I ignore the issue long enough, it will never have to be addressed?" If so, don't feel bad; you're far from alone. In fact, upwards of 70 percent of senior managers believe their computer system contains a number of flaws, deficiencies in data integrity, functional shortcomings or faulty reporting capability -- yet they don't do anything about it, choosing instead to continue along with the same system year after year. It beats all those risks associated with having to go through the effort of selecting and implementing a new one -- right?

Wrong. This is a foolhardy decision (or non-decision). When your system is ill-suited to the business, out of date, or both, even small problems can lead to unnecessary expense (along with its cousins, high blood pressure, huge aggravation and collective stress), causing owners to kick themselves for not upgrading the system when they suspected they should have -- or, in many cases, when they knew full well that they needed to and decided not to in order to save a little time and expense in the short term.

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Finding and implementing the right computer system is a long-term investment in your business. So swallow your anxiety, make the difficult decision, and force yourself to take a good, hard look at what you've got in place today -- and whether it should be replaced tomorrow.

Once you've gotten over that all-important psychological hump, congratulate yourself for taking the first step in a critical process. The next step is getting smart about the kind of system that will provide the best fit for your organization. Whether you manage the project internally or hire a professional systems consultant to do it for you, there are a number of things to keep in mind once you've made the vital decision to update your current system. Here's an indispensable checklist to follow during the all-important selection process:

- \*Get management's commitment and a pre-approved budget.
- \*Select a steering committee from the users who best know your business operations.
- \*Create a list of your business requirements, based on both current functionality and current deficiencies.
- \*Research the software solutions in the marketplace that might meet your company's needs.

\*Invite the best candidates in to demonstrate their software.\*Make sure that the demonstration focuses on your requirements.

\*Identify any gaps that exist between the software solutions and your business scenarios.

\*Identify all costs associated with the solution, including one-time and ongoing costs (e.g., maintenance).

\*Consider the compatibility of systems that will have to "talk" to the new system.

Some Important Don'ts

\*Do not buy the sales representative. Buy the system and the company instead (you'll need them longer).

\*Do not think that, because you were trained, you're fully familiar with the system. Does someone who just received a driver's license truly know how to operate a car?

\*Use the system as it was designed and resist the urge to overdo modifications when you first go live. Every modification delays the process and makes you a guinea pig. If you want what you had on the old system, why did you buy the new one?

\*If you do not have the manpower to do it all at once, go live in phases by business function, e.g. Demand functions (order entry, invoicing, accounts receivable, finished goods inventory control), or Supply functions (purchasing, manufacturing, bill of materials, raw materials inventory control) or Accounting functions (accounts payable, general ledger, financial statements).

\*Do not go live prematurely for the sake of meeting a deadline. It isn't worth putting your business at risk.

\*Don't think the vendor's professional project manager will manage your interests or your part of the implementation. They are hired to manage their own.

Ignoring your current system may seem like the easy, safe choice -- but the easy, safe choice is seldom the right one. Don't just plod along indefinitely with the same old system just because it's comfortable and familiar. After all, you've worked hard to distinguish yourself from your competitors through your merchandise, your marketing and your customer care. Shouldn't your computer system be an asset, too?

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*David Teeger, C.A. is a director at Teeger Schiller Inc. which has offices in Toronto, Montreal, New York, and South Florida. For the past 25 years, he has been involved in computer-based consulting assignments and system selections as well as implementations for the consumer products sector, including importing, distribution, manufacturing and retail. At Teeger Schiller, we don't just advise you on what to do, we work with you to make it happen. Learn more at [www.teegerschiller.com](http://www.teegerschiller.com)*

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## David Teeger

### Director

David Teeger C.A., C.A. (S.A.) graduated as a Chartered Accountant in South Africa, and upon arrival in Canada he obtained his Canadian C.A. designation and joined Richter & Associates, a management consulting firm, where he concentrated his practice on various business sectors including household goods, fashion, automotive parts, public associations, and retail chains. He performed many roles in his 15 years at Richter, including managing the professional services organization in North America and all business operations throughout Europe.

David's professional capabilities include computer audits, feasibility studies, system analyses and assistance in the selection, negotiation and implementation of computerized solutions.

As a founding partner of Teeger Schiller Inc., he has focused his practice on consulting to management. His team of professionals has helped businesses select and successfully install a variety of ERP business solutions and add-on systems including business intelligence solutions to give new life to existing computer systems. David's clients not only rely on him to successfully manage the implementation of their new systems, but to manage the change that occurs in their organizations as a result of the use of these new tools.



## Elliot Schiller

### Director

Elliot Schiller, Ph.D., C.M.C. began his career as a Chemical Engineer working for Grumman Aircraft, in Long Island, New York. He obtained his Ph.D. at the University of Pittsburgh with funding from the U.S. Atomic Energy Commission, and, after being awarded a Presidential Fellowship, he went on to perform research and development activities at Brookhaven National Laboratory.

Since coming to Canada, he has primarily assisted consumer products and retail organizations in a variety of strategic management initiatives, traveling around the globe on behalf of his clients. In 1987, Elliot joined Richter & Associates, and it is here that he first met David Teeger.

As a founding partner of Teeger Schiller Inc., he has focused the SR&ED / Grant Division on obtaining grants and tax incentives for over 100 companies in the small to medium sized business sector. His team has provided services to the discrete / processing manufacturing, material development, textiles, apparel, automotive and computer sciences sectors. Annually, Teeger Schiller Inc. secures more than \$5 million in government funding to assist its clients in having their business initiatives supported by government funding.



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