

BASDA

The Voice of UK Business Software

Selecting Business Software

A practical guide to selecting the best business applications to make your organisation a success

This guide has been developed by BASDA, the voice of UK business software, and its member organisations. The content reflects a collective view from members and is intended to provide general advice rather than guidance for specific situations.





Contents

| | |
|--|----|
| Introduction | 5 |
| Are your objectives clear? | 6 |
| Turning your objectives into system requirements | 7 |
| What's the right type of system for you? | 8 |
| Building a 'long list' of potential vendors and applications | 12 |
| The role of G-Cloud in building a long list | 13 |
| How will you run the selection process? | 15 |
| The RFX approach for larger procurements | 16 |
| Using online eTendering software | 16 |
| Evaluating the applications and vendors | 17 |
| What's it going to cost? | 18 |
| Creating an evaluation scoring scheme | 19 |
| Making the final decision | 21 |
| Final thoughts | 21 |
| Glossary of Terms | 22 |

Core business applications include:

- Accounting and financial reporting
- Budgeting
- Customer Relationship Management (CRM)
- Enterprise Resource Planning (ERP)
- Human Resources (HR)
- Payroll
- Pension provision
- Purchasing
- Sales
- Manufacturing
- Websites and online presence

Introduction



Selecting the right software to run your business can be a make or break decision.

It may seem strange that BASDA, the organisation which represents the UK-based software development industry, has produced a guide that offers advice to software buyers. Moreover we are making suggestions based on our experience on the best ways to purchase business applications. Why are we doing this when surely buyers and sellers have different objectives by definition?

Actually it's to everyone's advantage – both buyers and sellers – to ensure that:

- Organisations select the software which best meets their business needs.
- Buyers ask the right questions; to the right vendors; and gain meaningful answers that will lead to the right outcomes for their business.
- The most efficient purchasing processes and methods are used – which will save time and money.



Whatever the size of an organisation, buying business software is analogous to a family purchasing a house – it's a fundamental decision, made very infrequently, so it's vital to take expert advice.

From the buyers' perspective selecting the right business software and partners to run core processes is a fundamental decision, which is usually made very infrequently. Purchasing business software involves processes which buyers may go through very rarely in their careers and the technology options may well have changed fundamentally since their last purchase. As software vendors we go through hundreds of procurement processes each year and can share the best practices we have seen which lead to the best results for buyers. The fundamentals of buying business software are the same – no matter what size of organisation or solution.

Whether you're looking for a business app on your phone; a simple cloud-based application you pay for monthly by user; or a customised enterprise-wide system – many of the buying questions and processes are the same.

BASDA is all about bringing business application developers of all sizes together and so this guide collates best practices seen in the procurement of a wide range of systems and applications of all sizes, by purchasers from start-ups, through SMEs, to major corporates and large public sector organisations.

Are your objectives clear?



From a sole trader to a global enterprise, if you are not clear on your objectives, how will you know if a business software application meets your needs?

It seems obvious to say that software applications are just tools to help achieve **business objectives**. People (rarely) go out to market to buy software for its own sake, though sometimes we see organisations driven to look for a system because their competitors have one or because a particular application or technology is in vogue.

Business applications are all about solving business problems and supporting business processes, and so they should be selected to meet clearly articulated and agreed business objectives.

- What are the specific **business objectives** to be achieved which relate to this software purchase? For example:
 - Automate time consuming manual processes.
 - Consolidate business data within a single system.
 - Reduce administration costs by 10%.
 - Need to comply with new legislation or regulations by a certain date.
 - Improve customer service response times by 20%.
 - Increase system availability to 99.95% uptime and response time to <0.5 seconds.
 - Support a business acquisition or expansion.
- What are the specific **project objectives** to be achieved which relate to this software procurement? For example:
 - The system needs to be implemented by year end.
 - The total cost of the software and implementation needs to be within a departmental budget.
 - It is our policy to move all systems to the cloud.
 - Our customers require that their data must be held within a specific country or region.
 - This project will help us meet our stated policy on compliance and GDPR requirements.

Project objectives which relate to the implementation of the software should also be clarified at this stage. These will be more IT and project-related, and are often driven by IT policies and budgets.

Unless you spend meaningful time up front to clarify all your organisation's objectives AND agree them with all the relevant stakeholders in the business, then it's unlikely that you will be able to run a smooth procurement process which will have a successful outcome. It is especially important to agree the objectives with the budget holders who will ultimately sign-off the purchase.



Turning your objectives into system requirements

You will need to build on your business and project objectives – be they simple or complex – to turn them into more specific system requirements.

For example simple business and project objectives might include:

- We plan to triple revenues in the next financial year and double our staff to 6.

This might translate into more specific software requirements such as:

- We need a cloud-based system to support our growth as we do not plan to have in-house IT expertise.
- We must now be able to produce VAT reports.
- We must be live on our new system within 4 weeks.
- The software chosen must be able to continue to grow with our company.

More complex business and project objectives might include:

- We plan to open new offices in Germany, France and Sweden by mid 2019 and need a Finance system which will support this expansion in Europe.

This might translate into more specific system requirements such as:

- We need a system which can support different legal entities in multiple countries.
- We plan to increase from 50 to 300 cost centres and from 200 to 400 account codes.
- The system needs to support English, German, French and Swedish languages.
- The system needs to handle multi-currencies.
- We need to be able to produce local reports in local currency and consolidated reports at UK head office level in GBP.
- It must be possible to go-live with the new system by the end of 2018.

It is good practice to document exactly what your current system does. This can act as a draft to build your new requirements document. It is also important not to make assumptions that a new system will automatically do everything your current system does – so build in these baseline requirements right from the start of the process.

Collect requirements from all relevant areas of the business and take some time to rationalise these to remove duplicate requests for the same information. You can find suitable 'requirements templates' on the web. These can be used to create a set of baseline requirements. Be sure that you choose a template relevant for your industry, size of business, type of software required etc. The template should also help you score applications against your mandatory/desirable/nice-to-have requirements to simplify the selection process.



What's the right type of system for you?

When packaged business applications from third party vendors first started to be available in the 1980s, they were mostly suited to large companies. Procurement processes were usually long, complex and costly.

Today there is a dizzying range of business software options for organisations of all sizes to consider, including:

Mobile business apps – inexpensive (or even free).

Software as a Service/Cloud-based systems – run by the vendor and accessed over the web; often charged by user, per month i.e. subscription-based charging.

On-premise systems – software installed and run inhouse just for your organisation.

Bespoke development – software written specifically for your organisation because its needs are unique or the system provides competitive advantage.



Most organisations think they are unique – and require a system which exactly addresses current processes.

However, many of the most successful organisations utilise a software purchasing exercise to become open to new ideas and investigate the best business practices and processes which come embedded in today's business applications.

A SOFTWARE VENDOR



Some considerations which will help determine which type of solutions you might want to evaluate:

Mobile business apps

- Are you a small business or sole trader with a limited budget and simple, standard business processes?
- Is the app for a single user? Do you need to share data, processes and collaborate with colleagues and/or your bookkeeper or accountant?
- Can the app support your business as it grows by providing increased functionality?
- Does the app enable you to download your data e.g. for further manipulation and reporting in a spreadsheet or if you wish to transfer it to another app or system?
- What is the track record of the vendor? Do their customers highly rate their solutions? Is the vendor financially viable and likely to be around in the future?
- Is there a clear way to contact the vendor?
- How do customers rate the support offered?
- If an app is free, how is the supplier making money? Is access to your data, customers and contacts being 'monetised' by the vendor in some way?
- Is what is being offered a 'true app', i.e. has it been developed specifically to run on a mobile device? Or are you just being given access to cloud functionality via a web browser accessed on a mobile device?

Software as a Service(SaaS)/Cloud-based systems

- SaaS vendors often offer a range of package options with different prices and levels of functionality. Are you sure of your requirements and do these map onto the packages offered – at a reasonable price – as there may be limited or no ability to customise functionality to your exact needs?
- The system will usually be sold to you via telesales and demonstrated via webinars. It is unlikely that you will be visited by the vendor and given a tailored demo.
- Is the solution part of a wider environment/platform which provides additional functionality as you need it, either from the vendor or via accredited third parties?
- Are you clear about all the costs? The headline price for SaaS solutions is usually quoted on vendor websites as per user/per month but often you need to sign up for a minimum period, typically a year, and may have to provide several months notice if you wish to terminate the agreement.
- What is the reputation and long term viability of the supplier?
- Will you need a third-party consultant to help you implement and tailor the SaaS solution?
- How do customers rate support from the vendor e.g. support via telephone hotline; live online chat; via social media?
- Does the support available mirror your working hours? Is there an additional charge for support or a limit to the number of calls you can make? Is the hotline a toll-free number?
- Is it an issue that your data is held by a third-party? In which region/country will your data be held? Are you happy it is secure and that you will be able to meet your own GDPR requirements and data-protection commitments to customers?
- How can you gain access to your data if you need to move to a different vendor and system in the future? ▷

On-premise systems

- An on-premise system is typically a standard software package which is installed and run on computers on the premises (in the building) of the organisation using the software, rather than hosted by the software vendor itself with access provided via the cloud.
- On-premise systems provide more control and opportunities for an organisation. For example, you can control the location where data is stored; the strength of the security to access the system and data; customisations specific to your organisation can be made; you can schedule when upgrades to the system are performed to match your specific business cycle.
- With extra control and opportunities comes extra responsibilities. In-house IT personnel and hardware resources will be needed to implement, run and upgrade the system. You will be responsible for security and data protection.
- The type of organisation you are may drive you to consider on-premise systems. For example, a public sector, healthcare or defence company may require extra strong security or guaranteed system availability.
- The type of customers you have may drive you to consider on-premise systems. Your customers may demand that you can provide services and products to them which meet their own security requirements, data protection standards, levels of system availability, guarantees as to where data is stored etc.
- You are more likely to be assigned a specific salesperson/account manager by the vendor and to receive on-site tailored demos.

Bespoke development

- Do you have unique requirements of your software? This may be because you have very specific processes, legal requirements or customer needs.
- You may be a very large company that has the budget to have a totally bespoke system created; a company which just needs a small bespoke application to meet a specific need in a part of the business; a start-up which is using innovative software as a way to disrupt a market.
- Are you at the cutting edge and there is no off-the-shelf solution available? Your software may be your competitive differentiator.
- If the only or preferred solution is to have software functionality developed specifically to meet your needs, then you need to be very clear on your objectives and have detailed specifications documented for the software to be written.
- You will need people who can translate your business objectives into exact system requirements which can be specified and costed accurately.
- What type of contract will you enter into with the developer? Fixed price? Payment based on milestones reached? Shared risk and reward?
- How will you handle project scope change and creep?
- With bespoke software you can potentially lose the benefit of industry best practises which vendors have built into their off-the-shelf solutions.
- Who will be responsible for testing the delivered custom software – you or the vendor?
- Is it clear how the software can be evolved to meet future business needs, regulatory changes and technology advances?

Your organisation might also consider a **Hybrid Solution** which mixes elements from several of the categories. For example, blending an on-premise financial system to hold sensitive accounting and budgeting information, with a SaaS Customer Relationship Management (CRM) system in the cloud, and a mobile app for employees to record and claim expenses. In such cases you should consider:

- How will the different systems work together and share information?
- Will business processes cross systems and how will this be achieved?
- Do your on-premise or SaaS solutions also include their own mobile functionality so that you will not need separate mobile apps?
- Could there be compatibility issues if a new version of one part of the overall solution is released but other elements, such as mobile apps, have not yet been enhanced to work with such upgrades?
- If users have questions or encounter problems, how will they gain support when an issue could cross the different elements of a hybrid system from different software vendors?



Building a 'long list' of potential vendors and applications



Do upfront research to evaluate the market and create a 'long list' of potential vendors of relevant applications. There is a trade-off between having too few and too many vendors on the long list. Too few and you might miss the 'perfect solution'. Too many and your selection process might become lengthy and unwieldy. We often see long lists of 5-6 applications/vendors; any more may prove too onerous to evaluate. The aim is through an evaluation process to reduce the long list to a short list of 2-3 applications/vendors for more detailed consideration.

To build the long list utilise your personal business network for feedback on suppliers and their solutions. Recommendations from people you trust who are already using the software can provide the most helpful insights.



Also consider the accreditations, trade association memberships, codes of conduct and business networks which the software vendor has signed up to.

For example, BASDA, as the UK software industry trade association, brings together its members to collaborate on issues which affect both the industry and its customers, such as VAT reporting and Making Tax Digital. BASDA also has a number of voluntary charters which members can sign up to, for example, on business conduct; working with government; addressing sustainability issues.

Consult relevant ratings sites and stars awarded to applications in online app stores. A review of sites such as Trustpilot can be helpful but many of their reviews relate to the quality of support and services delivered by a vendor – rather than the software provided.

Look for pertinent research and market surveys by software industry analyst firms like Gartner and Forrester.

Usually there is a charge to access such reports and the data is often more suitable for large organisations – however many vendors purchase access to analyst reports for their potential customers. This is usually when they have come out top in any evaluations!

These reports are often featured prominently on vendor websites and via their online ads. The reports can often be downloaded free of charge from the vendor's site.

The role of G-Cloud in building a long list



G-Cloud provides an “online marketplace” where organisations can “find technology or people for digital projects in the public sector”. G-Cloud is accessed via:

www.digitalmarketplace.service.gov.uk

Though designed for public sector purchasers, the information on systems and vendors is freely available online and so can also be useful as a data source to help private sector purchasers put together their long list of relevant vendors.

G-Cloud offers information on a wide variety of cloud-based solutions and also consultants, teams, research services and data centres. Vendors are requested to update their information periodically and re-apply for inclusion. Information from all participants is then published in a common format on specific dates so that comparisons between vendors remain relevant.

At the time of writing (December 2017) G-Cloud 9 data is live (i.e. the ninth update of information from vendors); vendors had a deadline of April 11th, 2017 to provide data for G-Cloud 9 which was then made live in May 2017. The next G-Cloud updates are likely to be made in 2018. ▷

Cloud business applications are found under the “Cloud Technology and Support” option on the G-Cloud website.

This includes sections on:

- Software as a Service
- Platform as a Service
- Infrastructure as a Service
- Specialist Cloud Services

Business applications are in the “Software as a Service” category. Under G-Cloud 9 there are over 6,000 items listed under this heading! Searches can be refined by filters including application area such as Accounting & Finance; CRM; HR, as well as the length of the minimum contract period; interoperability options; whether a trial usage period is offered etc.

A significant benefit of taking a look at G-Cloud is that, although the information provided by vendors is focused on Public Sector purchasers, when relevant vendors are selected from those listed, information is presented in a common format. This greatly simplifies comparisons between products and vendors when creating a long list, rather than having to hunt out information buried deep on vendors’ websites.

G-Cloud information on products includes:

- 10 features; 10 benefits.
- Software pricing (prices may be specific to Public Sector clients).
- Services with pricing.
- Supported devices and web browsers.
- Support options and availability.
- If solution is open source.
- Security standards supported.

G-Cloud can provide a good starting point to see the breadth of business software that is available to help draw up a long list.

“

The process for applying for inclusion on G-Cloud is very involved and thorough. It takes us a lot of time and effort. I think it should be used more in decision making. You can tell a lot about a vendor by the quality and depth of the information they present to purchasers via G-Cloud.

A SOFTWARE VENDOR

”



How will you run the selection process?

When you have documented clear business and project objectives, defined your detailed system requirements, have an idea of the type of solution you need, and drawn up a long list of potential applications/vendors, then you can turn your focus to how you will handle the selection and purchasing process itself.

If you are a sole-trader purchasing an online app then there might be minimal effort in making your buying decision – but as soon as more people become involved then it's important to invest more time to be confident you have the best process to make the purchase efficiently.

The buying process will depend on factors such as the time available; the complexity of the solution requirements; legal requirements; the number of vendors/applications you want to consider; how you will compare and rate the applications.

Whatever your size of organisation, it is important to have a clear leader for the purchasing process and potentially a team with members from around the business. It will be their responsibility to run and document the process – creating a plan; organising meetings; setting deadlines; documenting the process and creating an audit trail of how the decisions were reached; complying with any external regulations which apply to the procurement. They will need to be able to devote the appropriate amount of time to the task.

To calculate how long you have for the procurement process, identify your critical business dates – especially ones outside your control – such as compliance to changes in legislation; the Brexit timetable; financial and

tax year ends; business and budget cycles; product launch dates etc. Work back from your proposed system go-live date and add in the time needed for the implementation project, to give a realistic idea of the time available for the procurement process.

If you are considering **mobile business apps** or **SaaS solutions** then it will probably be your responsibility to rate the different applications on your long list based on functionality promised by the vendor via an app store or their website. You may also be able to ask questions or see demos run by the vendor's telesales team. Customer reviews, star ratings and case studies from organisations similar to yours will also be helpful.

If you intend to purchase an **on-premise system** or have **bespoke software** developed, then it is likely that you will draw up a detailed requirements document and share it with potential vendors. You might do this by sending it directly to your chosen long list of vendors or by publishing it to a journal or website where it can be seen by vendors.

If you are a public sector organisation in an EU country then you will be required to publish intended procurements with a value over a certain amount to **OJEU** – the Official Journal of the European Union (formerly known as OJEC). This is a legal requirement for organisations and projects that receive public money. This includes organisations such as Local Authorities, NHS Trusts, MOD, Central Government Departments and Educational Establishments. At the current time it is not known what will be the UK requirement post-Brexit.



The RFX approach for larger procurements

For procurement of larger, mission-critical systems many organisations follow the RFX approach. A series of Requests For data are sent to potential vendors or published on the web. Buying organisations might follow a three step process or jump or merge steps depending on their existing knowledge, purchasing process and the complexity of the solution needed.

The procurement process might start with a **Request For Information (RFI)**. This is usually used to gain a general feel for what solutions are out in the market when buyers are finalising their requirements and working out the mix needed between packaged solutions and bespoke development.

RFIs are usually followed up by one or more of the following steps:

- **Request For Proposal (RFP)**
- **Request For Quotation (RFQ)**

The whole process may be handled using online eTendering software to manage the procurement from start to finish.



Using online eTendering software

There are a number of online solutions which can be used to help run software procurement processes. These can be especially helpful if your organisation is regularly going out to market for solutions and if you need to show that you are running a transparent and fair procurement process. These solutions also help in the creation of the RFX documents and the evaluation of responses, especially when there is a dispersed procurement team.

Online eTendering tools typically cover the following areas:

- Creation and sign-off of online RFI, RFP, RFQ documents, with input from multiple sources e.g. individuals, teams, departments.
- Invitation to vendors to participate and subsequent communications.
- Portal for vendors to access information, ask questions and to load their RFX responses.
- Management of the schedule and deadlines.
- Comparison and scoring of responses.
- Negotiation and award of contract.
- Historical record of the process with associated documents for audit purposes.

Evaluating the application and vendors



When you are drawing up your requirements and deciding how many vendors/applications to include on your long list, you should also have in mind how you intend to evaluate the different solutions. If you have a large long list and have very detailed requirements then this could be a very time consuming process and needs to be built into your procurement timetable.

Involve all the relevant stakeholders in your organisation (and partners) in setting the evaluation criteria, questions and scoring/weighting of responses. Consolidate and standardise the evaluation questions submitted by different interested parties, removing duplicates and omissions.

Consider early how you will evaluate the responses:

- Who will be involved in your evaluation team?
- Do you want digital responses (online; via email; on USB stick) or physical (printed) responses from vendors?
- Will the whole evaluation process be handled online?
- Do you welcome screenshots to illustrate responses?
- Will you consider information sent in vendor's marketing materials, product fact sheets etc.?
- Do you require customer case studies and reference calls/visits?
- Will you require a system demo or demos?
- Do you need access to a test/sandbox system to try out the standard functionality?
- Will you require a prototype system to be built for evaluation?

The most comprehensive evaluation process would seem prudent, but be realistic. Is there enough time to run the proposed evaluation process? Will your evaluation team be bombarded with too many responses or too much data?

Popular vendors may decide not to participate if your procurement process is too onerous compared to the potential profit or gives them too little time to provide professional responses. Investing time upfront to create a clear process, requirements and evaluation criteria will save you much more time later in answering questions, ensuring all vendors have common, up-to-date information, and handling objections. Stick to your published process and deadlines to be fair to all participants.



We often receive requirements documents where it is very obvious that someone has just merged several wish lists from different departments, without removing duplicate questions which have been asked in slightly different ways.

In such cases we spend a lot of time replicating answers, not sure if we've missed some subtlety in the way the questions have been worded. This means the buyer has to read lots of unnecessary text from us and every other vendor thereby adding time and effort to their already lengthy selection process.

A SOFTWARE VENDOR



What's it going to cost?



To get accurate costings to allow meaningful comparisons between solutions it is important that you are very clear as to what you expect to be included in prices quoted. For example:

- Software functionality.
- Services to implement and customise the software.
- Project management.
- Telephone support/Live Chat/Access to FAQs.
- Training – e.g. onsite training; live online courses; pre-recorded video training.
- Some packages – e.g. for simple accounting – include, not only, applications to handle standard business processes, but also access to advice from qualified accountants.
- Future upgrades, enhancements and legal changes to the software.

It is also important to find out what are the upfront, first year, and ongoing charges.

It is your choice as to whether you share information about your budget with vendors, but it could save time and effort for both you and the vendor if you can ascertain whether a solution is completely out your price range before you add them to the long list for evaluation.



We once responded to a major RFP that resulted in a 180 page response document. This took us several weeks to complete as it was full of detailed functionality requirements.

What it didn't include was any idea of the funds available and so we had no indication if they wanted or could afford a 'Rolls Royce' or 'budget' solution.

Giving an indication of the ballpark budget upfront would have saved their procurement people from having to process many huge responses which were in the wrong price bands.

A SOFTWARE VENDOR



Creating an evaluation scoring scheme



Using a scoring scheme to evaluate responses can make the process more simple, structured and less dependent on personal opinions. It also provides an audit trail to show why a particular solution was selected, for example, to show to regulators or the software vendors not selected.

For a sole trader evaluating a business app the 'scoring scheme' used might never be made explicit – but it can still be useful to think one through rather than relying on 'intuition' to make a decision.

A typical scoring scheme might work like this. For each requirement to be evaluated you might have:

- An **evaluation score** which you give based on reviewing and analysing a vendor's response to each requirement. For example:
 - 0 = does not meet requirements
 - 1 = partially meets requirements
 - 2 = fully meets requirements
 - 3 = exceeds requirements
- A **weighting** of how important the requirement is to you. For example:
 - Essential/Mandatory (3)
 - Desirable (2)
 - Nice to have (1)
- For each requirement a **points total** comes from multiplying the evaluation score by the weighting.
- You can then add up all the points to give a **points total for the solution**.
- You could also create a **percentage score** by dividing the points total for the solution by the maximum points total possible. ▶



The solution with the most points/highest percentage is the winner. Alternatively the top 2-3 solutions could go through to a short list for more detailed evaluation including demos, customer reference visits and access to test systems.

You may choose to further customise your scoring scheme. For example, mandatory requirements may be given an even greater weighting or a solution rejected if any mandatory requirements cannot be fulfilled. You may also wish to split your requirements into functional and non-functional sections, the latter covering topics such as system performance times and availability; customer support response times etc.

Some scoring schemes also build in an element to capture whether a requirement is a feature in the standard system; could easily be developed; is provided by a solution from a partner of the vendor; is planned for a future release; is not possible.

It is your choice if you share the scoring scheme with the vendors to help them complete their responses. If they know what are mandatory requirements they might choose to qualify out if their software does not match up against these, or provide extra information against these requirements which could be very useful.

You should give some guidance as to what types of responses you require. For example, is a simple Yes/No answer sufficient? Or do you want an explanation? Do you want to limit the length of explanations? Do you encourage the use of screenshots and diagrams in explanations?

“

We think it is beneficial to us as vendors AND for purchasing organisations, if the buyers share their scoring scheme with us up front. We can then focus our effort on showing how we meet the requirements which are most important. If we can't meet mandatory requirements then it saves everyone's time if we find out at the start of the process and can withdraw.

A SOFTWARE VENDOR

”

Making the final decision



It is your responsibility to be absolutely certain as to who should have been included in an evaluation and who makes the final decision to commit the funds to make the purchase. Any software vendor's account manager worth their salt will be pushing you to find out this information too. They'll also want to know if there is a centralised procurement team which will appear at the last moment and try to drive down the negotiated price.

It is worthwhile creating a timetable with key dates for completion of the evaluation; sign off from the procurement team; the schedule of management meetings if final sign off is needed by the board.

Final thoughts



If there's one request we'd like to leave you with, it's to give feedback to the software vendors you ask to participate in evaluations. Completing a requirements document to a high standard can take a lot of time and effort. If they didn't win your business was it because their software didn't meet some mandatory requirements, because they misunderstood the process or inadvertently missed answering some questions? Providing feedback will not only help them educate their teams but enable them to improve their business software solutions.

In this document we've shared ideas and best practices from BASDA members to help you make software purchases. Our members experience many hundreds of procurement processes each year and fully endorse the recommendations made in this guide. However we'd welcome your own feedback and ideas based on your experience of the process to incorporate into future editions of this guide.

Glossary of Terms

App – In the context of this document an App is a piece of software which provides some business functionality or runs a business process, e.g. business expense recording and processing; accounting; tax calculations. Apps could be Mobile (designed for use on smartphones and mobile devices) which might utilise mobile functionality such as GPS positioning; touch-screen. There are also Web Applications which run in a web browser and hence can also run on mobile devices; and Desktop Applications designed to run on desktops and laptops.

Cloud Software – cloud computing is the delivery of computing services – servers, storage, databases, networking, software, analytics etc. – over the web. Cloud Software is run ‘in the cloud’ and accessed via web browser, hence there is no need to install the applications in-house (‘on premise’). Cloud Software is typically charged by usage e.g. by user per month.

COTS – Commercial Off The Shelf i.e. packaged business applications which can be bought pre-developed with embedded business processes and best practices, but usually with the option to configure the standard solution to meet specific organisational needs.

Framework Agreement – a framework is an overarching agreement made with suppliers to establish overall terms, conditions, pricing etc. which will apply to individual contracts that may be awarded during the life of the agreement. These specific purchases are known as call-offs.

G-Cloud – is a digital marketplace run by the UK government which provides online information and pricing for business applications, services, etc. It is primarily focused on UK Public Sector but can be accessed by anyone via:
www.digitalmarketplace.service.gov.uk

GDPR – The EU General Data Protection Regulation (GDPR) provides increasing data protection for consumers by placing the onus on individuals and organisations to handle personal data correctly and securely. It will apply in the UK from May 25th 2018. The UK government has confirmed that the decision to leave the EU will not affect the commencement of the GDPR.

Infrastructure as a Service (IaaS) – IaaS provides virtualised computing resources over the internet such as the infrastructure components traditionally present in an on-premise data centre, including servers, storage and networking hardware.

In-house software – applications developed by an organisation for its own use.

ITT (Invitation To Tender) – a document describing a piece of work or system required which is sent or made available to potential suppliers. This is typically used for very large development projects and/or ones involving several partners working together to supply a complex solution.

Long List – a list of potential vendors and business applications which meet the general requirements of a company, compiled after its initial research. A long list for business application purchases typically includes 4-10 vendors/applications.

OJEC – the Official Journal of the European Community – now replaced by OJEU.

OJEU – the Official Journal of the European Union. This is the publication in which tenders from the public sector organisations in the EU which are valued above a certain amount set by EU legislation, must be published so that potential vendors can see them and respond if they wish to compete for the business.



On-premise – software installed and run in-house by an organisation for its own use.

Platform as a Service (PaaS) – is a category of cloud computing services that allows organisations to develop, run, and manage applications without the need to build and maintain the infrastructure typically needed themselves.

POC (Proof Of Concept) – as part of the software purchase process an organisation might ask a vendor to create a version of their system configured to meet the specific needs of the organisation.

Preferred Supplier – the winning vendor chosen after a software selection process but before a contract is signed.

RFI (Request For Information) – a call for information from vendors at the very start of a software selection process so that an organisation can get a general idea of what is available in the market.

RFP (Request For Proposal) – often following an RFI, an organisation may next ask vendors for RFP information, this will typically cover how the vendor's system will meet the organisation's requirements plus company and financial information about the vendor itself to show its history, method of working and viability.

RFQ (Request For Quotation) – as part of a software selection process, a call for pricing information, payment terms, quality levels, length of contract etc. so that an organisation can compare vendors based on costs as well as functionality.

RFx – a general term to cover the range of documents (including RFI; RFP; RFQ) used in a formal software purchase process.

Short List – a list of potential vendors and business applications which meet the specific requirements of a company and are being seriously considered for purchase, usually after a long list of vendors has been evaluated. Typically a short list for business application purchases includes 2-3 vendors/applications.

Software as a Service (SaaS) – is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted. The system is typically accessed over the web from a third party vendor so that there is no need for an organisation to install the software itself to access its functionality.

Supplier/Vendor – the interchangeable use of these two terms in software selections can cause confusion as they could mean the vendor of the business application being considered and/or the purchasing organisation's suppliers which need to be handled by the software. Being very clear about the use of these terms will make it much easier to understand and compare responses about different business applications.

Test system/Evaluation system/Sandbox – as part of a software selection process an organisation may ask potential vendors to install or make available a version of the system which the organisation's users can access to test how the software works and handles business processes. This might not be as easy or as desirable as it first appears as the users may need multiple training courses to learn how to use the different systems being evaluated and may want their own data loaded into each of them.

BASDA

The Voice of UK Business Software

Published by:

BASDA – Business Application Software Developers' Association
PO Box 1570, High Wycombe, Buckinghamshire, HP12 9EU

T +44 (0)1494 868030 E info@basda.org

www.basda.org

