

Avoid the Hype in CMMS Selection

Written by Nicholas Phillippi, HSB Reliability Technologies
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Guidelines for choosing a vendor that will deliver the products to get the job done, at the proposed price.

It is no secret that the computerized maintenance management software (CMMS) and enterprise asset management (EAM) systems industry has grown explosively over the past few years. The ecosystem that has grown around this industry has exceeded everyone's expectations in its size and speed of development.

Ten years ago there were just a few major CMMS software companies, and the state of technology was such that no single package was able to meet all the requirements of any one customer. Each vendor would attempt to show that its product met more of the customer's requirements than the others did. Where requirements were not met, the vendor would propose custom modifications or third party add-on packages.

Users of CMMS packages wound up with highly customized and often unsupportable versions of what they bought from the vendor. Nevertheless, during those years, from the vendor's point of view, differentiation was easy. If a vendor met more of the subset of the requirements that were most important to the customer with its standard code, it was, all else being equal, the best choice.

Differentiating CMMS

Today things are very different. Most vendors, industry analysts, and CMMS evaluation consultants know that all of the top 20 CMMS applications work. In fact, most of them meet 80-90 percent of a customer's requirements right out of the box. How then can these vendors differentiate themselves? Unfortunately for you, what are being promoted today as differentiating capabilities are not items you are likely to find on your list of required functionality. Since the vendors accept that the CMMS applications you are evaluating today are basically the same from a functional perspective, they are continuously looking for extras such as the following to excite you and motivate you to choose them:

Technology. A few CMMS suppliers heavily promote the technology or platform as a differentiator (runs on Windows NT rather than UNIX or AS/400, for example). Savvy manufacturing business people understand that platform/operating systems/database technology is only a medium to deliver the business values. However, accepted industry

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standards such as Windows 98 and NT operating systems, and popular databases such as Oracle and SQL Server, n-tier client/server architecture, DCOM interfaces, and so on, may help ensure the CMMS is compatible with other systems.

Product functionality. Some vendors still try to differentiate themselves on product. Most of you know by now that product superiority in any industry is fleeting, if it ever really existed at all. Vendor A's new release, today's latest and greatest, will be old news tomorrow when vendor B releases its new version with even more features and functions. Today's killer application is tomorrow's legacy system. It will always be that way.

Price. Some vendors are willing to undercut competitors on price. These drastic reductions typically are offered at the end of the evaluation cycle when the vendor feels it is losing. Your concern as a buyer should be that vendors that systematically drop their prices to win business might not have enough operating profit to support growth; worse still, they may have under-funded their support and developmental organizations which will eventually leave their customers high and dry.

Grand alliances. A few vendors overwhelm the marketplace (and eventually themselves) with constant press releases about the alliance partnerships they sign, industry requirements they commit to satisfying, and integration to other applications they promise to deliver. This is nothing more than marketing hype. No vendor can do it all.

Demonstration pony shows. Some vendors employ high-powered sales representatives who know little or nothing about the product or the prospect's business. After a few weeks of learning the buzzwords, they are at your doorstep, PowerPoint presentation at the ready. Although the unwary buyer may be impressed by these gunslingers, their activities are devoid of value to a prospective buyer. Vendors will mislead the prospect by demonstrating one version of the product while corporate ships another older version. Vendors also may undersize hardware or required implementation services to keep their prices competitive. Creative interpretation by CMMS vendors of request for proposal (RFP) questions is rampant as well.

Finally, a few vendors in every market are in a hyper selling mode, where their own ambitions to achieve market leadership blot out any interest in helping their customers reach their goals and objectives. A sure sign of that is when the vendor, in an attempt to get you to jump on the bandwagon, brags about all the deals it has won as if that alone will help your business be

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more successful.

Vendor evaluation

So how does an evaluation committee pick a vendor that will deliver the products that will get the job done, at the proposed price? See the accompanying section "Making the Vendor Evaluation Process More Successful" for some tips.

In addition, the following considerations may be helpful in understanding the process of evaluating potential CMMS vendors:

- **Number of users.** Make sure you clearly understand the vendor's definition of a user or seat. The simplest (though not necessarily the best) arrangement is to license individuals, by name, to use the software. More commonly, the customer will buy some number of concurrent user licenses. In this instance, a larger number of individuals can be given access to the system, but only the specified number of concurrent users can use the system at any given time. Typically, one concurrent license serves three to four individual users, but this may vary with the amount of time each user needs to access the system and when. Your choice will depend on your situation. Negotiate up front on the cost of adding users later.
- **Feature freebies.** If the vendor is offering numerous features at little or no cost, or if it offers free training or modifications, beware. This is typically a desperation ploy by a vendor who is struggling to survive. Examine the vendor's financial situation and long-term business growth goals.
- **Degree of customization.** In a software vendor's lexicon, the difference between "we can do that" (that's a standard function) and "we could do that" (modification required) can be thousands of dollars. Semantic differences such as this can lead to a completely different understanding of the capabilities of the software product. During the demonstrations, make sure the vendor differentiates between what functionality actually exists and what needs to be done through customization. An essential question is whether a source code change would be required. If so, allow for additional costs to maintain and upgrade the custom changes through the life of the system.
- **Ongoing support.** Things such as telephone assistance and ongoing software maintenance are taken for granted. They should not be. Is the support 24 by 7? When does the maintenance start? How is it priced? Are annual maintenance fees tied to future price increases? What is the frequency and magnitude of new releases?
- **Third party add-ons.** Too often, a certain feature is proposed through a third party. Customers should make certain that a solid interface exists and that it will be upwardly compatible and supported. Determine the exact cost of the interface and any associated maintenance fees.
- **Quick implementations.** Most vendors offer methodologies designed to speed and simplify implementations. Although these methodologies may be quick, they are definitely not

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easy. The typical approach is to offer pre-set software parameters for an industry with little or no opportunity to change these templates. If you want to do some business process optimization along with your CMMS implementation, forget any fast path solution.

- **Training.** In order to keep costs low, vendors often propose public (or generic) classroom education. This is not always the most cost-effective method. In a public class, you cannot get into the specifics of your company's issues. It is generally advantageous to schedule customized education using your own equipment and part numbers co-taught by a person who is deeply involved in your implementation from the start.

Conclusion

There are great products and services in the CMMS software marketplace, from companies that have abundant experience, high levels of integrity, and who will work as hard as they can to help you be successful. Your challenge, then, is to see through the fog of hype, massive amounts of information, and false claims, and find the vendor who is counting on your success, as opposed to your order.

In the end, CMMS applications are not magic potions that will turn a company around and make all your employees happy overnight. They are systems that take a lot of effort to install and can have a tremendous payback. It is the software vendor's job to portray its product in the most favorable light. It is the customer's job to ask the right questions and gain a full understanding of the products and the vendor's capability to partner in success. **MT**

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