

# Surviving Your AMS Selection: 15 Common Mistakes to Avoid

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Selecting a new AMS is likely one of the biggest decisions your organization will make in a given year. Aside from the fact that a good AMS is vital to your ability to serve members and operate your organization efficiently, it's quite a significant investment. Accordingly, you'll want to avoid many common mistakes that might ultimately cost you more. By doing so, you're decision will be one to celebrate rather than regret!

## 1. Lack of Buy-In from the Top Down

As you know, the Board doesn't like surprises, so make sure they're aware of the process and decisions along the way. Their unwavering blessing is also beneficial. If you can avoid it, however, don't make the opposite mistake of getting approval on a budget for the project before you really have a handle on the **realistic** costs. Eliciting support and "cheer leading" from the executive director and other organization executives, as well, will facilitate a smoother process. And, don't forget the staff – those who work with this application day in and day out must have a part in selecting the software so that gaining their enduring support will be easier. A core team of key internal staff members from all levels should be created for the selection process, and can be adjusted for implementation.

## 2. Unrealistic Money Expectations

Costs for AMSes are all over the board.

There are "low-end" applications that cost in the neighborhood of \$10,000 or less and "high-end" ones that can cost upwards of \$1,000,000. Before embarking on this venture, have an idea of your organization's likely cost tolerance, but try avoid a fixed budget. In other words, is it more likely your organization can afford \$50,000 or \$500,000? Remember too, that fees for services (configuration, data conversion, training, etc.) are anywhere from one to three or more times the cost of the actual software.

## 3. Unrealistic Time Lines

Although there are definitely exceptions, a typical selection process takes three to six months, and a typical implementation six to twelve months. To give you an idea of why it may take so long, if you follow the process of due diligence described and release an RFP, there is usually a period of four "dead" weeks during which vendors prepare a proposal.

## 4. Not Following a Process of Due Diligence

Using a structured method for selecting an AMS will not only help you retain your sanity but, quite simply, will support you when it comes to the Board and internal organization executives. (See "Steps for Selecting an AMS...")

### Steps for Selecting an AMS

- Conduct internal requirements analysis
- Establish selection criteria
- Conduct preliminary product demonstrations ("hands-off")
- Generate RFP/solicitation document and solicit vendors
- Review submitted proposals
- Reference checks
- Conduct final product demonstrations ("hands-on")
- On-site visits
- Executive meeting between organization and vendor
- Design study contract negotiations
- Conduct design study with vendor
- Implementation contract negotiations

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## 5. Failure to Establish and Commit to Selection Criteria

At the beginning of the project, the core team should develop a set of selection criteria that is as objective as possible. Remember, however, the selection will undoubtedly include subjectivity, and this is perfectly normal. If the product meets all of your functional requirements, but you cannot establish a rapport with the vendor, the project may be doomed. The criteria, which can include factors such as functional requirements (e.g., multi-association management capability), technology platform, support, cost, etc., should be weighted. In other words, what is the most important factor in making this selection? Weight each factor, and then establish a rating system. As you go through the process of due diligence, assign scores for each product/vendor. Try not to stray from this system – it will get tougher as you start seeing demonstrations of the products and have more interaction with the vendors. Remember, the “prettiest” product and the “coolest” salesperson aren’t necessarily going to manage your organization.

## 6. Not Asking the Vendor the Right Questions

Yes, the application probably has more bells and whistles than the Macy’s Day Parade, and you’ll be wowed during the vendor demonstrations. Make sure, however, to ask basic questions that are often overlooked. (See “Don’t Forget To Ask The Vendor...”)

## 7. Omitting the Vendor Pre-Screening Process

Don’t open an industry directory and send a solicitation document to every company that has anything to do with association management applications. You will end up with an unwieldy stack of proposals, not to mention an endless stream of phone calls. Use your initial selection criteria to narrow down the field to a solid group of three to five vendors. Also, don’t use the industry

listservs as the only way of determining which vendors to solicit (or select!). A request of “which products are you using” or “which product should I purchase” should only be an initial way of gathering information, not a means for determining which product to implement. This may sound funny, but it happens.

## “Selecting a new AMS is likely one of the biggest decisions your organization will make.”

## 8. Making a Decision Based on Whether the Product is Offered as an ASP

While the application service provider model is gaining some popularity, it shouldn’t be the basis for deciding on which application will be used to manage your organization. This should be one of the decisions that is made prior to implementation or when determining payment (cash flow). Use the initially established selection criteria to choose the most appropriate application.

## 9. Not Treating this as a Partnership

Funny as it may sound, to establish a mutually beneficial relationship with your AMS vendor, treat it like a marriage – after all, it will be for better or worse and hopefully for the long haul. It’s a simple concept that really works - the vendor responds much better to courteous, reasonable requests and being treated like a partner.

## 10. Contract Review by Person without AMS/Association Savvy

It’s no surprise that getting an AMS is a big commitment - one that will hopefully last for a long time. The contract is the rulebook for the relationship you establish with the vendor. A fair contract is critically important to both sides. “Sticking it to the vendor” will not benefit you in the long run – the vendor needs to feel comfortable with the ability to meet obligations. While

an attorney should obviously review the contract, you should also have an AMS/association industry expert (i.e., a consultant) review the document from a business perspective – someone who knows the name of the game – what should be expected from the vendor and the organization. An attorney is needed for the legalese, but may not have a handle on what is typical and

what is not, what should be expected from a vendor and what should not. Another very important point is to have two separate documents – one for the design study (see below) and one for software/implementation.

## 11. Omitting a Separate Design Study

As a first step after selecting an AMS and prior to the formal process of implementation, the vendor should conduct a design study under a separate contract (see #10). This will allow you and the vendor to determine the gaps that exist between your requirements and the software’s functionality and how they will be bridged. The vendor should generate a design document that reviews all exceptions to your documented requirements and offers options, if feasible, for how they will be accommodated, along with costs. They should state that any other previously documented requirement is understood and will be handled during the implementation as “out of the box” functionality. You should try to obtain not-to-exceed costs for the entire project in the design document. As the contract is a “rulebook,” this is a “roadmap” for implementation. Anything that is not documented here or in documented requirements that are attached to the contract should be considered “out of scope” once implementation begins.

## 12. Bypassing This As an Opportunity to Reconsider Your Business Processes

Just because your organization has been processing applications the same way ever since it was established 75 years ago, doesn't mean it's the most effective way of doing so. This is a terrific opportunity to scrutinize your business processes and take advantage of best practices that are being brought to you by the AMS vendors. The goal is to minimize customizations and try to run the software as close to "vanilla" as possible. Although some applications are taking advantage of new technologies to keep you on an upgrade path even with modifications, many still require retrofitting any time an update or upgrade is released. The basic rule is not to insist on mimicking your existing processes or software rather than adapting to the new software's process flow.

## 13. Inadequate Project Management Resources

I must break it to you, after the final selection is not the time to breathe a sigh of relief and hand the project over to the vendor - it's time to roll up your sleeves and get to work! Certainly, the vendor will provide project management, but mainly for internal purposes, not to manage your organization. You will need an internal project manager - and this will require 80 to 100 percent of the selected individual's time for the duration of implementation. If you don't have the right person internally - someone with a good mix of people and management skills, hire an outside expert. Once this person has done a bang-up job of managing implementation, you can breathe a sigh of relief.

## 14. Neglecting an Ongoing Training Program

Often times, the fortunate staff members are those who are there during initial product implementation. They get adequately trained on what most of the time is a full-featured, complex product.

The unfortunate ones are those who come on board later or who need brush-up training along the way - because they often don't get it. It is not adequate to train your staff once at the beginning of the project and then forget about training. In order to prevent frustration and make maximum use of a powerful management tool, build on-going training into your budget. New and existing staff members alike will benefit from regularly scheduled training - either in house or from the vendor.

## 15. Not Committing to Regular Product Updates

Nowadays, many vendors (and rightfully so) contractually require that you are not more than one or two versions behind the current version of the product. So, stick with an upgrade plan, not only to have the latest features and bug fixes, but so you can continue to receive proper support. The vendor cannot realistically keep people on staff who are well versed in multiple versions of the software. Why do you think people with ten year old versions complain about their AMS software and vendor?

### Don't Forget to Ask the Vendor

- When was your business established?
- How long have you been developing database applications for associations/nonprofits?
- How many staff do you have? How many are dedicated to research/development, training, customer support, and project management?
- What is the number of association/nonprofit clients? How many of the clients are currently active?
- How often do you update the software? Are updates provided to all clients without additional cost?
- How do you support your clients (e.g. via telephone, e-mail)?
- What is your training methodology for new clients?

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