

Sales Force Horror Story

\$1 Million Salesforce.Com Project, Never Should have been Funded, Has Failed to Deliver Anything of Substance After 8 Months

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The following is a brief interview and tips from a new CIO at one of my clients that just inherited a Salesforce.Com Horror Story. Following are the CIO's tips and recommendations for how you can prevent similar nightmares in the future.

1. **Understand how SAP, Oracle applications and Salesforce.Com are different and more difficult.** Most people do not understand that this class of application is really a “development platform” – not a finished, tailored, specific application software package, such as PeopleSoft or JD Edwards. The latter are much tighter, “purpose-driven” application packages. In this case, Salesforce.Com requires an immense amount of configuration, implementation and maintenance labor.
2. **Must have very strong, detailed requirements and process definitions.** The SAP, Oracle application, Salesforce.Com class of applications has the double-edged sword of being extremely flexible – but this allows for a near infinite complexity in implementation choices. The only way to avoid huge budget overruns, delays and scope increases is to, up front, have strong requirements and processes defined. **NOTE THAT THIS IS A FAILURE POINT FOR MANY, MANY MEDIUM AND LARGER COMPUTER PROJECTS.**
3. **This class of application tends to be especially vulnerable to lack of control, scope, purpose definition.** The decision makers do not require solid requirements and processes before making the purchase. **When in doubt, development organizations (programmers) just keep piling on more technical solutions, trying to produce a happy customer.** Note that this is in their personal self-interest and vendor's self-interest.
4. **This class of application requires very strong project or program managers.** Tom comment: This is almost an oxymoron in today's IT culture. Those of you that know me, know that I am strong, disciplined project manager. You also know that I have been fired at least half a dozen times for standing up for the right thing for the project in just such situations as this. In my experience, and in the experience of hundreds of my peers that I have talked to, 95% of the time in today's IT world, the project manager has much to lose and little to gain by insisting on strong disciplines. I wrote of book on this in the mid 1990's that was published by the Project Management Institute and the situation is worse today. **IF YOU ARE COUNTING ON A STRONG PROJECT MANAGER TO SAVE THE DAY, YOUR CHANCES OF FAILURE EXCEED 95%.**
5. **Compounding complexity and the unnatural act.** For a variety of reasons, software gets more complex every year. Business tends toward complexity and few organizations are willing to do the hard, necessary work to demand and enforce simplicity. It is much easier for the IT guy to say, “Yes, yes,” and throw in some code to respond to whatever request is made, than it is to do the hard things necessary to deliver a good project. Inevitably, the user requests are for things that the software will do poorly, only with extreme effort, or not at all. When I came out of college in the mainframe days, we called this, “Chaining 100 programmers to the mainframe for 2 years to do the unnatural act.”
6. **A direct competitor cancels a 5-year, \$83 million SAP project with no results.** The CIO described the travails he had witnessed at a major competitor, with exactly these kinds of failings.

7. **Note that SAP attempted to market “My SAP” for five years as a simplification for smaller businesses.** The CIO commented that this was a complete failure. Pay close attention to comments on vendors’ motivations and rhetoric below.
8. **Executives get into SAP, Oracle application or Salesforce.Com class of projects not really understanding what they are committing to.** These are good solutions for some companies, but executives don’t take the time and fully understand what they are committing to. They are committing to a “5-year plus lifestyle of investment, development, customization and maintenance.”
9. **“SalesForce.Com is a much better marketing organization than technical delivery organization.”** The CIO continues to comment, “They never come to see the IT Executives, they sell exclusively to the Business Side and one result is situations like we have today.”
10. **Selling the Panacea, the Current Fad, the Cloud to Naïve Business Side Executives.** Business Side Executives love to hear the story. “All your problems are solved by being in the ‘cloud’. You have no IT costs, no hassles, no problems. It’ll be great...”
11. **“We got into this Situation because IT wasn’t Responsive to the Business.”** Some background is in order. This client is in an industry that was devastated by the recession of 2008-2009. They hunkered down, cut spending everywhere they could, just barely kept the lights on in the IT Department and survived. Today this company is in much better shape than several notable competitors, so it is hard to argue with the overall Business decision making. None the less, THE SALESFORCE.COM PROJECT GOT TRACTION AND WAS SOLD IN LARGE PART BECAUSE IT COULD NOT RESPOND TO THE BUSINESS NEED.
12. **Most People never Take the Time to Understand the Work, the Processes, the Business Fit and Get to the Requirements.**
13. **Watch the Risks of Being in the Cloud.** While there are real benefits, be aware that committing to a Cloud-based solution, especially a high configuration-customization solution, locks you in to using that vendor for 3-5 years (switching costs become very high.) You have much less control over what you do with your environment and options. NOTE THAT THE VENDORS HAVE A BIG PROFIT MOTIVE AT STAKE. The software vendors’ profits have been eroding steadily and dramatically for a decade or more (Tom comment: Deservedly so, in my view. Major software vendors have extracted billions of dollars from clients with very little real benefit to show for it. They are now paying the price of the market placing a dramatically lower value on their services.) None the less, cloud-based solutions can be very profitable for the vendor, especially if they can draw you into customization-configuration, which increases your switching costs and commits you to a 3-5 year long-term commitment to their system.
14. **Watch the Fads.** “The same ‘panacea’ mistakes occurred in the 1980’s with the time-share fad, in the 1990’s with the client server revolution, in the 1990’s and early 2000’s with outsourcing, in the 2000’s with off-shoring, and today with the Cloud.
15. **Watch the Self Interest of Your People, the Vendors and Consultants.** Many executives are not aware that their subordinates are more valuable in the marketplace if they can put “implemented Salesforce.Com” on their resume. This has been true for decades, but shortened tenures for most jobs result a strong bias for internal people to want to purchase the ‘new toys’, put them on their resume but generally evade accountability for actual results. Note also that it is fun to play with the ‘new toys.’ We are all accustomed to watching for the profit motive of the software vendor or the consultant – this is part of our Capitalist system and produces many gains, but as always ‘buyer beware.’
16. **The Decision to Commit to Salesforce.Com was Whimsical, Driven by a Couple of People.** “We are not a traditional sales organization. The blunt truth is that Salesforce.Com

is not a fit. If we had had the barest minimum of discipline and rigor, we never would have purchased Salesforce.Com.

17. **“We are \$1 Million into this, About 6 Months Pregnant, No Results, No End in Sight...”**

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