

# A Job Aid to the Solution Selection Process

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## Executive Summary

As described in the white paper *An Overview of Business Solution Implementations*, most organizations are inundated with information about technology solutions today. With so much information “noise,” as every solution developer claims their product is best, how do the project sponsors filter through the chatter and choose the right solution? A CPA can play a key role in the Solution Selection process. It is vitally important to determine the business needs and requirements that would be the best fit for the organization’s growth with the technology in the future. The Solution Selection process focuses on qualifying the needs of the business requirements into tangible terms. This process provides the CPA with the opportunity to apply common CPA skills, such as data analytics, to support how an organization decides on a new Solution. The CPA can assist organizations in their rationale for software solutions, incorporate cost estimates and capitalization impact over the chosen time horizon (e.g., three to five years). Additionally, CPAs can provide objective solution comparison and evaluations. The CPA can also assist the project sponsors on the plan to capture these costs and the measurement of tangible benefits to realize the total return on investment (ROI).

The CPA can now help the organization decide which elements of system requirements are the most important and apply them to the proposed solutions. Some system requirement elements, such as what data will be captured, are foundational. Other requirement elements, such as remote accessibility and outsourcing, may be necessary to achieve desired benefits important for the users. One way that a CPA can help the project sponsor cut through the “noise” is to review the solution selection process using a ranking tool.

The business cycle or business process will drive organizations to think about the following:

- What are the organizational goals for the new solution?
- How does the organization measure success?
- When does the organization expect to achieve the goals for the new solution?

CPAs are uniquely qualified to assist business owners and project sponsors in evaluating the need for custom built solutions, packaged applications, software as a service (SAAS) or a combined or hybrid solution. The below table depicts the benefits, risks, pros and cons for the various solution types (Custom/Packaged/SAAS):

Solution Type	Benefits/Risks	Pros/Cons
<b>Custom Built Solution</b>	<p>Benefits:</p> <ul style="list-style-type: none"> <li>• Addresses “unique” needs directly</li> <li>• Automates existing company process and procedure</li> <li>• Only desired functionality is built, thereby creating the possibility of keeping it simple</li> </ul> <p>Risks:</p> <ul style="list-style-type: none"> <li>• Designing application and security controls from scratch</li> <li>• Key personnel dependency</li> <li>• Unless company is a software vendor, development and support are not core to company competencies</li> <li>• Difficult to keep pace with market developments and easy to become obsolete</li> </ul>	<p>Pros:</p> <ul style="list-style-type: none"> <li>• System support personnel are employees and have vested interest in company’s long term success</li> <li>• All enhancements are determined by company personnel</li> </ul> <p>Cons:</p> <ul style="list-style-type: none"> <li>• Automates existing business process and procedure</li> <li>• Lead time to understand, build, test, deploy and train users on “unique” requirements</li> <li>• Required staff support for as long as application remains mission critical</li> </ul>
<b>Package Application Solution</b>	<p>Benefits:</p> <ul style="list-style-type: none"> <li>• Scalability, availability, security and architecture used by large number of organizations</li> <li>• More resources in the marketplace that can support core application</li> <li>• Must offer APIs to integrate with third-party applications</li> <li>• Ongoing enhancements to keep pace with market developments</li> </ul> <p>Risks:</p> <ul style="list-style-type: none"> <li>• Reduced key personnel dependency, but still a risk</li> <li>• Enhancements desired by company are not in the foreseeable future product roadmap</li> <li>• Upgrades require planning, and can be quite expensive due to integration and any customizations</li> </ul>	<p>Pros:</p> <ul style="list-style-type: none"> <li>• Leverages best practice business processes designed into solution</li> <li>• Market tested trainers and training materials available for applications</li> </ul> <p>Cons:</p> <ul style="list-style-type: none"> <li>• Unused design elements can lead to user confusion as application workflow may not be as logical</li> </ul>

Solution Type	Benefits/Risks	Pros/Cons
SAAS Solution	<p>Benefits:</p> <ul style="list-style-type: none"> <li>• Speed of implementation</li> <li>• Scalability</li> <li>• Security, backup and disaster recovery</li> <li>• Shift costs to provider, lower cost of management, operation and software</li> <li>• Shift focus to company business not the support technology</li> <li>• Instant upgrades</li> </ul> <p>Risks:</p> <ul style="list-style-type: none"> <li>• Solution viability in a provider acquisition merger scenario</li> <li>• Sensitive data security</li> <li>• Loss and recovery of encrypted data</li> <li>• Tolerance level for unavailability due to internet connectivity</li> </ul>	<p>Pros:</p> <ul style="list-style-type: none"> <li>• Some can be hosted inside company firewalls to alleviate security and data integrity concerns</li> <li>• Predictability of costs</li> </ul> <p>Cons:</p> <ul style="list-style-type: none"> <li>• Difficult to have “unique” requirements met</li> <li>• Support is contractual and not employee based</li> <li>• Upgrades happen more frequently, need to stay alert for change management challenges</li> </ul>

## Solution Selection Process

1. Develop high-level requirements and weighted evaluation criteria with business owners/sponsors (see second column example)
2. Create a project charter, which includes the project description and objectives and identifies the following:
  - a. Project sponsor(s)
  - b. Project lead
  - c. Project team and key stakeholders
  - d. Governance structure
  - e. Scope of project (including specific exclusions to the scope)
  - f. Risks, success measures
3. Set project milestones such as the following:
  - a. Define high-level business and technical requirements
  - b. Develop requirements weighted scoring model
  - c. Perform fit/gap analysis (functional /technical)
  - d. Develop level of effort for recommended solution(s)
  - e. Perform option comparison and joint recommendation
  - f. Complete business case for recommended solution
4. Evaluate each proposed solution and present them to sponsors/owners
5. Prepare financial analysis for each proposed solution
6. Perform the weighted evaluation of each to provide a qualified approach to the solution selection.

## Sample Budget Software

Develop high-level requirements and weighted evaluation criteria with business owners/sponsors: Sample of a budget software solution

Using the subjective weighted evaluation criteria developed with business owners/sponsors (item 1, left column), the project team, including subject-matter experts, can then perform the weighted evaluation of each requirement and the fit/gap way it is satisfied by the proposed solutions. The weighting criteria can be accomplished in as simple or sophisticated manner that is required by business owners/sponsors. For example, it can be accomplished if there are 24 requirements, should each be equally weighted or are some requirements more important than others to the business owners/sponsors. The intent is to have the owner/sponsors establish the weighting criteria for what is important to them in making a decision ... strategic quantifiable criteria that should drive subject-matter experts to differentiate the proposed solutions to assess each solution for the closest fit to owner/sponsors objectives.

In our attached example, the weighting criteria range values were simply 5–8–10 possible for each of the 24 requirements, but remember these are used as a multiplier against a raw score the subject-matter expert's assessment of solution fit/gap to stated requirement establishes. A requirement that is deemed to have a value weight of 10 will have twice as much importance as a requirement that is deemed to have a value of 5. In the example provided, the requirements that support flexibility and a dynamic business environment are more highly weighted than the ones that require adherence to a center-led standard. Although standardization is a longer term goal, the flexibility to support evolving levels of business readiness to adopt is more highly desired in building momentum in that direction.

Separately, each proposed solution can be assessed for fit/gap to each of the agreed requirements. Again, this is subjective, but a measure of objectivity is achieved by getting each subject-matter expert assigned by business owner/sponsors to agree to a fit/gap score for each. In our attached example, each proposed solution was evaluated on each agreed requirement using a 1-to-5 scale.



Ref	Solution Type	Weight	Option A		Option B		Option C	
			Raw Scoring	Weighted Score	Raw Scoring	Weighted Score	Raw Scoring	Weighted Score
1	<b>Process</b> — Ability to support a standard, yet flexible process that allows the business to react quickly to environment changes	<b>10</b>	2	<b>20</b>	5	<b>50</b>	5	<b>50</b>
15	<b>Scalability</b> — Solution should be scalable and easily modified to continue meeting performance thresholds as scale of application increases, e.g., usage increases, number of reports increases, number of hierarchies increases, etc.	<b>8</b>	4	<b>32</b>	5	<b>40</b>	5	<b>40</b>
23	Solution operating cost	<b>10</b>	10	<b>10</b>	10	<b>10</b>	10	<b>10</b>

### Other Processes for the Solution Selection Process

1. Follow prudent procurement procedures to ensure that important contractual agreement factors are included in the analysis.
2. Prepare and distribute Request for Proposal (RFP). The RFP should provide information for respondents regarding the organization’s overview and current technologies, detail business requirements, time and budget constraints and the evaluation criteria weighting, the organization’s governance structure and timelines for RFP clarifications, submission and evaluation.
3. Provide opportunities for question and answers (Q&A) with each interested vendor and consolidate the Q&A for distribution as an informational addendum to the RFP.
4. Prepare a vendor response template to assist the consolidation of responses in an efficient manner.
5. Evaluate vendor written responses to identify vendors that fulfill minimum vendor requirements. Determine number of vendors sponsors want to consider.
6. Vendors present their qualifications, company profile, customer base in related industry companies, approach, team, methodology, resource commitment and resource needs for their implementation program in the context of time and budget constraints.
7. Evaluation team scores each vendor proposal based upon evaluation criteria weighted by level of importance to sponsors (described above in the Solution Selection Process).
8. Negotiate agreement with vendor selected. Communicate decision with other responding vendors.



## Appendix

Solution	Forecasting Tool
	Weighted Score
Option A	752
Option B	950
Option C	980

Ref	Measure	Weight	Forecasting Tool — Option A Solution		
			Score	Confidence	Weighted Score
1	Process — Ability to support a standard, yet flexible process that allows the business to react quickly to environment changes	10	2	100%	20
2	Drivers — Ability to support forecasting on a dynamic set of pre-defined drivers across multiple forecasting periods and inclusion of informational drivers	10	4	100%	40
3	Hierarchy Maintenance — Hierarchies require the flexibility to forecast at varying levels	10	4	100%	40
4	Data Sourcing — Ability to hold historical actuals and plan data in point in time snapshots	10	5	100%	50
5	Calculations — Ability to conduct aggregations on a schedule basis, e.g. every 15 or 30 minutes, and ad hoc when needed	10	3	100%	30
6	Allocations — Ability to support an allocations process, if deemed necessary in the future	5	5	100%	25
7	Reporting — Ability to report real time for input verification and in consolidation for management review; ability to have alternate rollups	10	2	100%	20
8	Pre-Population — Ability to pre-populate data from prior periods	10	5	100%	50
9	Security — Ability to limit user access to the Country/LOB for which they are approved	10	5	100%	50
10	Usage and performance — Solution is stable and able to perform to pre-defined thresholds	10	2	100%	20
11	Support — Functional Support must be 24x7 during the forecasting period	8	5	100%	40
12	Support — Technical Support must be 24x7 during the forecasting period	10	5		0
13	Shared Metadata Definitions — All solutions need to have shared calculation definitions	10	5	100%	50
14	Availability/Recoverability — Ability to be back up and running on a separate server in less than 24 hours	5	5	100%	25
15	Scalability — Solution should be scalable and easily modified to continue meeting performance thresholds as scale of application increases, e.g., usage increases, number of reports increases, number of hierarchies increases, etc.	8	4	100%	32
16	Ease of Solution Build (Software Development Life Cycle)	10	4	100%	40
17	Ease of Solution Deployment	10	2	100%	20
18	Ease of Solution Maintainability	10	1	100%	10
19	Firm IT Standards — Ability to meet Desktop Deployment Standards	8	5	100%	40
20	Firm IT Standards — Ability to meet Information Security Requirements	8	5	100%	40
21	Firm IT Standards — Supported Technology Platform	8	5	100%	40
22	Firm IT Standards — Compatibility with desktop inter-operability standards	8	5	100%	40
23	Solution Operating Cost	5	3	100%	15
24	Solution Build Cost	5	3	100%	15
			94		752

Ref	Measure	Weight	Forecasting Tool — Option B Solution		
			Score	Confidence	Weighted Score
1	Process — Ability to support a standard, yet flexible process that allows the business to react quickly to environment changes	10	5	100%	50
2	Drivers — Ability to support forecasting on a dynamic set of pre-defined drivers across multiple forecasting periods and inclusion of informational drivers	10	5	100%	50
3	Hierarchy Maintenance — Hierarchies require the flexibility to forecast at varying levels	10	5	100%	50
4	Data Sourcing — Ability to hold historical actuals and plan data in point in time snapshots	10	5	100%	50
5	Calculations — Ability to conduct aggregations on a schedule basis, e.g. every 15 or 30 minutes, and ad hoc when needed	10	5	100%	50
6	Allocations — Ability to support an allocations process, if deemed necessary in the future	5	5	100%	25
7	Reporting — Ability to report real time for input verification and in consolidation for management review; ability to have alternate rollups	10	5	100%	50
8	Pre-population — Ability to pre-populate data from prior periods	10	5	100%	50
9	Security — Ability to limit user access to the Country/LOB for which they are approved	10	5	100%	50
10	Usage and performance — Solution is stable and able to perform to pre-defined thresholds	10	5	100%	50
11	Support — Functional Support must be 24x7 during the forecasting period	8	5	100%	40
12	Support — Technical Support must be 24x7 during the forecasting period	10	5		0
13	Shared Metadata Definitions — All solutions need to have shared calculation definitions	10	5	100%	50
14	Availability/Recoverability — Ability to be back up and running on a separate server in less than 24 hours	5	5	100%	25
15	Scalability — Solution should be scalable and easily modified to continue meeting performance thresholds as scale of application increases, e.g. usage increases, number of reports increases, number of hierarchies increases, etc.	8	5	100%	40
16	Ease of Solution Build (Software Development Life Cycle)	10	4	100%	40
17	Ease of Solution Deployment	10	4	100%	40
18	Ease of Solution Maintainability	10	4	100%	40
19	Firm IT Standards — Ability to meet Desktop Deployment Standards	8	5	100%	40
20	Firm IT Standards — Ability to meet Information Security Requirements	8	5	100%	40
21	Firm IT Standards — Supported Technology Platform	8	5	100%	40
22	Firm IT Standards — Compatibility with desktop inter-operability standards	8	5	100%	40
23	Solution Operating Cost	5	4	100%	20
24	Solution Build Cost	5	4	100%	20
			115		950

Ref	Measure	Weight	Forecasting Tool — Option C Solution		
			Score	Confidence	Weighted Score
1	Process — Ability to support a standard, yet flexible process that allows the business to react quickly to environment changes	10	5	100%	50
2	Drivers — Ability to support forecasting on a dynamic set of pre-defined drivers across multiple forecasting periods and inclusion of informational drivers	10	4	100%	40
3	Hierarchy Maintenance — Hierarchies require the flexibility to forecast at varying levels but actuals should reconcile with P&B and FR	10	5	100%	50
4	Data Sourcing — Ability to hold historical actuals and plan data in point in time snapshots	10	5	100%	50
5	Calculations — Ability to conduct aggregations on a schedule basis, e.g. every 15 or 30 minutes, and ad hoc when needed	10	5	100%	50
6	Allocations — Ability to support an allocations process, e.g. P&B AMT, if deemed necessary in the future	5	5	100%	25
7	Reporting — Ability to report real time for input verification and in FR for management review. Ability to have alternate rollups	10	5	100%	50
8	Pre-Population — Ability to pre-populate forecast data from prior periods	10	5	100%	50
9	Security — Ability to limit user access to the Country/Service Line for which they are approved	10	5	100%	50
10	Usage and performance — Solution is stable and able to perform to pre-defined thresholds	10	5	100%	50
11	Support — Functional Support must be 24x7 during the forecasting period	8	5	100%	40
12	Support — Technical Support must be 24x7 during the forecasting period	10	5		0
13	Shared Metadata Definitions — all Finance Infrastructure solutions need to have shared calculation definitions	10	5	100%	50
14	Availability/Recoverability — Ability to be back up and running on a separate server in less than 24 hours	5	5	100%	25
15	Scalability — solution should be scalable and easily modified to continue meeting performance thresholds as scale of application increases, e.g. usage increases, number of reports increases, number of hierarchies increases, etc.	8	5	100%	40
16	Ease of Solution Build (Software Development Life Cycle)	10	5	100%	50
17	Ease of Solution Deployment	10	5	100%	50
18	Ease of Solution Maintainability	10	5	100%	50
19	Firm IT Standards — Ability to meet Desktop Deployment Standards	8	5	100%	40
20	Firm IT Standards — Ability to meet Information Security Requirements	8	5	100%	40
21	Firm IT Standards — Supported Technology Platform	8	5	100%	40
22	Firm IT Standards — Compatibility with desktop inter-operability standards	8	5	100%	40
23	Solution Operating Cost	5	5	100%	25
24	Solution Build Cost	5	5	100%	25
			119		980

Ref	Measure	Weight	Option A	Option B	Option C
			Weighted Score	Weighted Score	Weighted Score
1	Process — Ability to support a standard, yet flexible process that allows the business to react quickly to environment changes	10	20	50	50
2	Drivers — Ability to support forecasting on a dynamic set of pre-defined drivers across multiple forecasting periods and inclusion of informational drivers	10	40	50	40
3	Hierarchy Maintenance — Hierarchies require the flexibility to forecast at varying levels	10	40	50	50
4	Data Sourcing — Ability to hold historical actuals and plan data in point in time snapshots	10	50	50	50
5	Calculations — Ability to conduct aggregations on a schedule basis, e.g. every 15 or 30 minutes, and ad hoc when needed	10	30	50	50
6	Allocations — Ability to support an allocations process, if deemed necessary in the future	5	25	25	25
7	Reporting — Ability to report real time for input verification and in consolidation for management review. Ability to have alternate rollups	10	20	50	50
8	Pre-Population — Ability to pre-populate forecast data from prior periods	10	50	50	50
9	Security — Ability to limit user access to the Country/Service Line for which they are approved	10	50	50	50
10	Usage and performance — Solution is stable and able to perform to pre-defined thresholds	10	20	50	50
11	Support — Functional Support must be 24x7 during the forecasting period	8	40	40	40
12	Support — Technical Support must be 24x7 during the forecasting period	10	0	0	0
13	Shared Metadata Definitions — All Infrastructure solutions need to have shared calculation definitions	10	50	50	50
14	Availability/Recoverability — Ability to be back up and running on a separate server in less than 24 hours	5	25	25	25
15	Scalability — Solution should be scalable and easily modified to continue meeting performance thresholds as scale of application increases, e.g. usage increases, number of reports increases, number of hierarchies increases, etc.	8	32	40	40
16	Ease of Solution Build (Software Development Life Cycle)	10	40	40	50
17	Ease of Solution Deployment	10	20	40	50
18	Ease of Solution Maintainability	10	10	40	50
19	Firm IT Standards — Ability to meet Desktop Deployment Standards	8	40	40	40
20	Firm IT Standards — Ability to meet Information Security Requirements	8	40	40	40
21	Firm IT Standards — Supported Technology Platform	8	40	40	40
22	Firm IT Standards — Compatibility with desktop inter-operability standards	8	40	40	40
23	Solution Operating Cost	5	15	20	25
24	Solution Build Cost	5	15	20	25
			752	950	980





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