

The Complete Guide to Buying Risk Management Software

YOUR STEP-BY-STEP PLAN FOR NAVIGATING THE BUYING PROCESS FROM CONCEPT THROUGH CONTRACTS

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Software keeps the business world humming along. It has the power to boost productivity, deliver better insights, and improve results. And that power has never been more important to the business of managing risk.

With ever-expanding technologies, products, suppliers, and services, however, it can be difficult to find potential vendors, sort through your options, and complete a purchase. The buying journey itself can seem opaque and overwhelming. It can be easy to lose your way, leaving you with software that isn't what you need or that no one ends up using.

This guide demystifies the buying process with a step-by-step navigation through the entire journey. Whether this is the first time you are launching a software search or you are a purchasing veteran, it will help you identify the best fit for your organization, both functionally and culturally.

According to [Gartner](#), 77% of B2B buyers said that their latest software purchase was very complex or difficult.

TABLE OF CONTENTS

Part 1: Getting Started	02
Part 2: Exploring Your Options	05
Part 3: Closing the Deal	09
Part 4: Looking Ahead	11



PART 1: GETTING STARTED

Some of the most important work happens before any vendors are contacted. Give careful thought to what you are trying to accomplish by purchasing new software.

1. **Understand your needs.** The best place to start is by defining what it is that you need. What problem are you trying to solve? Is the directive coming from the top (e.g., we need better risk data to guide strategy decisions)? Or is it coming from frontline employees (e.g., we are wasting time keying in data instead of analyzing what it means)?

Take an inventory of the issues you're having with your current processes and technology. What are your pain points and bottlenecks? What do you wish your current solution could do? What would make your job easier, the team more productive, and the company stronger?

And think about what type of solution you are looking for. Do you want an off-the-shelf solution or something that can be configured for your workflows and processes? Off-the-shelf solutions are generally quicker to implement, but they may not fit your current process.

Keep in mind that applying new technology to a broken process won't solve anything. Address problem areas upfront, and establish clear objectives that you want new technology to accomplish.



2. **Quantify your problem.** Whether you are looking to automate manual processes to save time and money, extend the team's capabilities when you don't have the skills or bandwidth, or simply focus your time where you can make a difference, quantifying those benefits can be exceptionally helpful in winning allies and building a strong business case.

Add up your current costs, both direct and indirect. What are you currently paying for software licensing and subscription fees? What does it cost to maintain the system and make necessary upgrades to meet your expanding needs? How much time are you spending on routine tasks that could be performed better by software – and what strategic tasks are consequently falling by the wayside?

The true cost of a solution must be measured in terms of the total operational cost to the organization over the long term. Using spreadsheets, for instance, to manage business risks or comply with multiple regulations can leave you with vulnerabilities that translate into real costs that can significantly impact the business.

3. **Gather your team.** Risk software touches many functional areas, and it's important that all voices are heard throughout the buying journey. Risk managers, IT, procurement, finance, and leadership may have different opinions about what works, what doesn't, and what's needed from new software. And no one has insight like those on the frontlines.

Bringing diverse priorities and viewpoints together from the outset ensures that critical issues are raised, which will help avoid unexpected problems later on. Your team members are also the ones who can evangelize support for new software and adoption down the road.

Are there groups outside your team that will benefit from the new technology? Who ultimately uses the output? Who needs to be involved in the vetting process?



4. **Assess the market.** Now that you have an idea about what you need, it's time to research your options for suitable software vendors. Google is a great place to start your search. You can also learn a lot about potential partners by visiting their websites.

Make use of industry analysts like Forrester, Gartner, and Redhand to identify strengths and weaknesses of each solution to ensure they align with your needs.

Keep in mind that a purchasing decision is about more than features and functions. You want a partner that also has the longevity and resources to go the distance with you.

According to Gartner, 6 – 10 decision makers are typically involved in purchasing a complex B2B solution.

CHECKLIST FOR GETTING STARTED

- ✓ Understand your needs.
- ✓ Quantify your problem.
- ✓ Gather your team.
- ✓ Assess the market.



PART 2: EXPLORING YOUR OPTIONS

Now that you've figured out what you need and done your homework on the market, reach out to potential vendors for a closer look.

1. **Get to know the candidates.** Peruse candidates' websites, read their collateral, attend webinars to get a feel for how well each matches up with your priorities. Are they viewed as trusted advisors – or are they viewed as being more transactional?

Schedule discovery calls with your shortlist. Share your priorities, the business problem you're working to solve, the team involved, and your vision of the future. And ask them anything you want about their product, services, experience – including how they solved similar problems for other organizations. The more information you can exchange upfront, the better each vendor can tailor its response to your needs.

2. **Make the most of your demo.** The demo is your best opportunity to view top contenders on your own terms to evaluate if the software and the vendor are a good fit. Consider breaking the demonstration into multiple parts if you have a lot of ground to cover. Do you want an in-person demo? Will you need it recorded for those unable to attend? All stakeholders – especially decision-makers – should have the opportunity to participate.

Beforehand, think about what it will take for the demo to be deemed a success. What items or functions do you absolutely need to see? Has the list of functionality you need to see been shared with your vendors? Your list should be fairly tactical, while still aligning with your overall priorities.

Take note if a vendor collaborates with you on the agenda. Cooperation ensures your priorities are addressed and that there is no miscommunication. The questions the vendor asks you will also give you an indication of whether they are truly trying to understand your business, your company, and your needs.

During the demo, ask questions and provide feedback if things are missing the mark. But do try to stay on track. Getting fixated on one feature or report can distract you from important considerations like how well the software integrates with other systems and whether it can scale to accommodate future growth.

3. **Set up a scoping call.** For those vendors that made it through the demo step, you will want to schedule time to get into the details on cost, implementation, and timing. This is also a good opportunity to reevaluate your priorities and see if anything changed. Did you uncover a new need? Are there other stakeholders that might be interested in partnering with your initiative?

Include all of the SMEs on the call to ensure maximum productivity. And share any sample data, reports, or process documentation to clarify your current state. Make sure a nondisclosure agreement is in place so you can freely share any documentation that may help your selected vendors better understand your use cases.

This is also the time to align schedules. Are there critical dates to consider (e.g., annual KPIs, a deprecating legacy system) or avoid (e.g., busy seasons, holidays)? Working backward from the date you want the system to be operational can help determine the urgency with which you move through the next steps.

Do You Need an NDA?

If you are sharing sensitive information like sample data, process workflows, and security reviews, then the answer is yes. Executing an NDA also give you the opportunity to gauge internal legal support for the project and uncover potential challenges that might arise during contract negotiations.



4. **Build your business case.** Now that you have details on cost and timing, estimate your ROI for new software. This is an important step in persuading others that the value of risk software justifies the spend. Use the data on current costs you gathered when you were quantifying your business problem. Compare that to the costs and benefits of new software, including implementation, training and support, and licensing fees. Also factor in expected savings from higher productivity and more efficient processes.

Facts and figures are not the whole story, though. Will new software make your organization more resilient? Will it protect your reputation? Will it help you decide what risks are worth taking to grow?

Securing Internal Approval

Who has final say in approving the project? Is there a hierarchy of approval or is it by committee? Do those with authority understand the full scope of the problem and benefits of the solution – and have they met with the vendors to ensure alignment?



5. **Review the proposals.** It's essential to understand the nuances to ensure a level playing field. Do all of the proposals solve the same problem in the same way? Do they link back to the business problems you identified at the start? How are these quantified?

It's a good idea to schedule time with each vendor to go through the proposal to clarify line items and what is and is not included. Also consider whether the proposal supports the long-term growth of your organization. Sustainability and scalability are pivotal to the success of a long-term partnership.

NEED HELP DRAFTING AN RFP?



Not every software purchase warrants a full-blown RFP. But if you do, these downloadable templates can get you started. The questions are presented in a spreadsheet format, which can be easily modified to suit your needs.

[DOWNLOAD THE GRC TEMPLATE](#) →

[DOWNLOAD THE RMIS TEMPLATE](#) →

CHECKLIST FOR EXPLORING YOUR OPTIONS

- ✓ Get to know the candidates.
- ✓ Make the most of your demo.
- ✓ Set up a scoping call.
- ✓ Build your business case.
- ✓ Review the proposals.

PART 3: CLOSING THE DEAL

A purchasing decision is about more than features and functions – although those are certainly important. The vendor you select should be a partner you can trust.

1. **Select your vendor.** If there are several vendors that can solve your issues from a technical perspective, consider how they measure up on other priorities.

Rank the finalists on important criteria, such as the size and stability of the organization, the level of advisement you want, and the promised support through implementation and beyond. Is there one vendor that can check all – or almost all – the boxes?

Price is always a factor. It's important to understand what is included and what is not to avoid surprises down the road. Are all of the services you need included in the proposal? If the proposals are vastly different in pricing, make sure you understand why.

2. **Facilitate the IT review.** Find out from your IT department what is needed to vet a new vendor. Is there a required security questionnaire? What is the expected timeframe for completion? Make sure that's factored into your project schedule.

Has the vendor provided IT-related information? Most vendors have ready-to-go packets with all salient details.



3. **Onboard your vendor.** Onboarding is like the official greeting to your vendor, laying the groundwork for a long-term, mutually beneficial relationship. What documentation do you need from your vendor to get things set up? Do procurement or finance have specific processes, portals, or questionnaires? What needs to happen to initiate the process – and how long will it take to complete?
4. **Finalize the contract.** Establish a baseline with what is non-negotiable on both sides. Do you understand all of the documents included in the contract (e.g., MSA, SOW, SO, security exhibit, product schedule, data-processing agreement)? Who needs to review the documents? What is your signatory process? Make sure all approvers are available within the prescribed time frame – especially if there are financial penalties associated with any delay.

Replacing an incumbent system?

Notify your current vendor, and make sure you own the data. Also, verify how long it will take for that vendor to send a copy of your data to import into the new system.



CHECKLIST FOR CLOSING THE DEAL

- ✓ Select your vendor.
- ✓ Facilitate the IT review.
- ✓ Onboard your vendor.
- ✓ Finalize the contract.

PART 4: LOOKING AHEAD

Once the purchase is completed, the best part can begin – using the software to achieve new goals.

- 1. **Kick off the project.** Identify who is on the project team and what their responsibilities are. Be realistic with the schedule and other time commitments, and identify any conflicts that may impact progress. Once the team is in place, review the statement of work to ensure everyone knows what will be delivered, how it will be delivered, and who is responsible.
- 2. **Enjoy success.** Buying new software takes a significant amount of time and effort – but it is well worth it when you find the right solution and right partner. New risk software is expected to bring efficiency and accuracy to the way risks are managed. But it can do so much more.

As leaders increasingly consider risk an essential part of business strategy, the right purchasing decision can help you garner a coveted seat at the strategy table. The data and insight available with your new risk software will keep you in that seat for years to come.

ABOUT RISKCONNECT

Riskconnect is the leading integrated risk management software solution provider. Our technology empowers organizations with the ability to anticipate, manage, and respond in real-time to strategic and operational risks across the extended enterprise.

More than 2,000 customers across six continents use our unique risk-correlation technology to gain previously unattainable insights that deliver better business outcomes. Riskconnect has more than 800 risk management experts in the Americas, Europe, and Asia.

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- Policy Management
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& Resilience
- Health & Safety
- Healthcare