



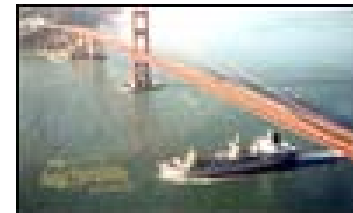
# Shipmanagement Selection Process

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## About Sekur

- Shipmanagement company
- Manages 12 vessels
- Cement carries, bulk carrier, and general cargo ships.





**Anyway, we do not have the time to go through a full selection process, we have to start to implement in order to have the system up and running.**



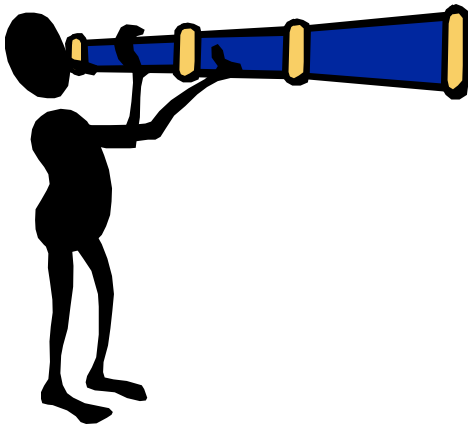
## Selecting Wrong Package Leads to:

- Failing to support an important business process
- Supporting a process inaccurately or inefficiently
- Unhappy management & staff
- Shelfware
- Losing time & money



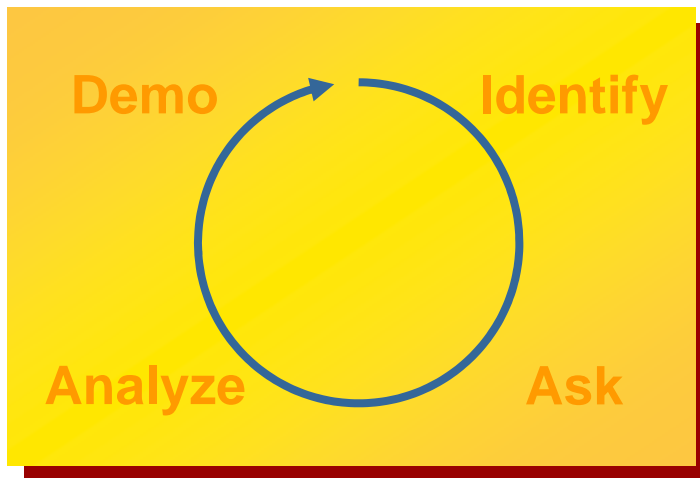
# Presentation Outline

- Selection criteria
- Selection process
  - Identify
  - Ask
  - Analyze
  - Demo
  - Negotiate





# Acquisition Process

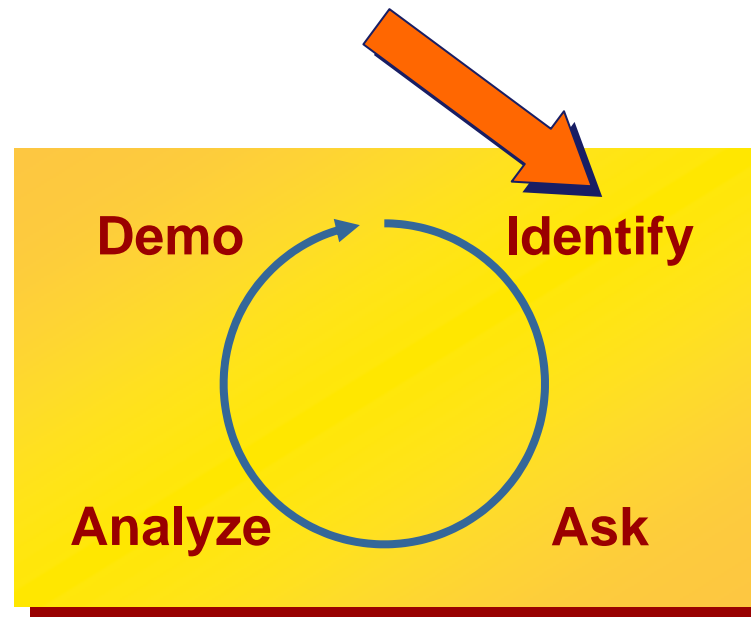


The process is based on the traditional acquisition cycle, and ends up with a selected application

1. Identify the details of each element in the selection criteria **BTISC** and prioritize them
2. Ask the vendors to rate against your requirements
3. Analyze the vendors' responses and rate each vendor
4. Ask the vendors to show you how they meet your current requirements



# Identify Selection Criteria





## Selection Criteria - BTISC



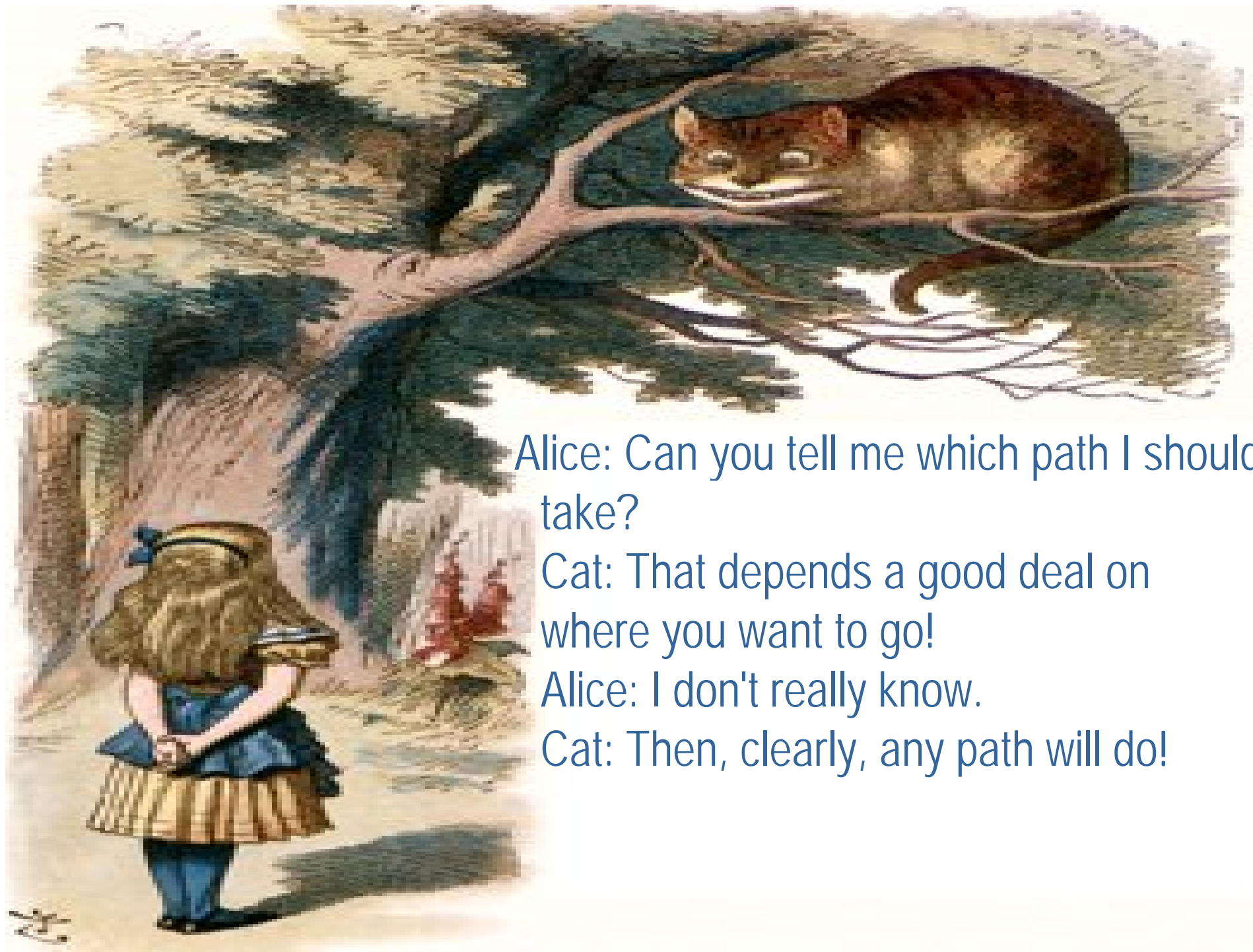
- **B**usiness Requirements
- **T**echnical Requirements
- **I**mplementability
- **S**upportability
- **C**ost



## Selection Criteria - BTISC



- **Business Requirements:** Ability of the package to meet the company's current business requirements
- **Technical Requirements:** Ability to run the application on a certain database, operating system, servers, etc.
- **Implementability:** Ability to implement the package easily
- **Supportability:** Ability of the vendor to support both the package and the company in the future
- **Cost:** Total cost to purchase and implement the package as well as ongoing maintenance and support costs



Alice: Can you tell me which path I should take?

Cat: That depends a good deal on where you want to go!

Alice: I don't really know.

Cat: Then, clearly, any path will do!



# Business Requirements

- Business area
- Best of Breed
- Application Requirements
- Prioritizing

Hierarchy	Requirements	Priority	Comments
1	<b>Chartering</b>		
1.1	<b>Voyage Estimation</b>		
1.1.1	Ability to get an estimated voyage schedule		
1.1.2	Ability to print detailed voyage estimation		
1.1.3	Ability to simulate net daily by various input criteria		
1.2	<b>Demurrage/Dispatch</b>		
1.2.1	Ability to prepare demurrage claims document		

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# Technical Requirements

- General Requirements
  - User interface
  - Report writer
- Technical Requirements
  - Database
  - Security
  - Communication
  - Server & Networking





# Implementability

- Implementability Components:
  - Vendor background
  - Software & technology maturity
  - Project implementation plan
  - Documentation
  - Training



# Cost

- One Time cost (up-front cost)
  - Software—Purchase price including all discounts
  - Hardware—Cost of any additional hardware required to run and maintain (test environment, etc.) the software
  - Conversion—Of the data from your old system to the new package including cost of manually entering the data
  - Training—Of the users and the system personnel
  - Additional products—Any that are needed in order to run the package (i.e., operating system, and tools such as the CASE tool and fourth-generation language)

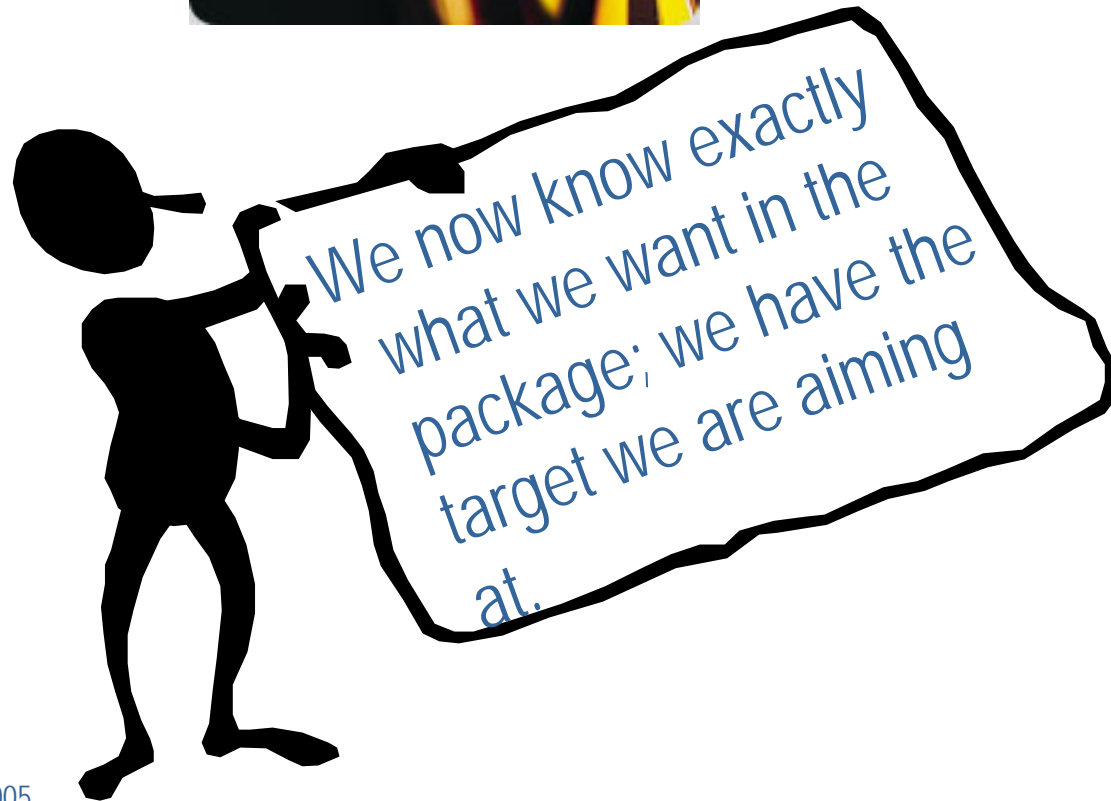




# Cost

- Annual operating expenses cost
  - Database licenses
  - Annual maintenance base package
  - Annual maintenance must have modifications
  - Hardware & other maintenance

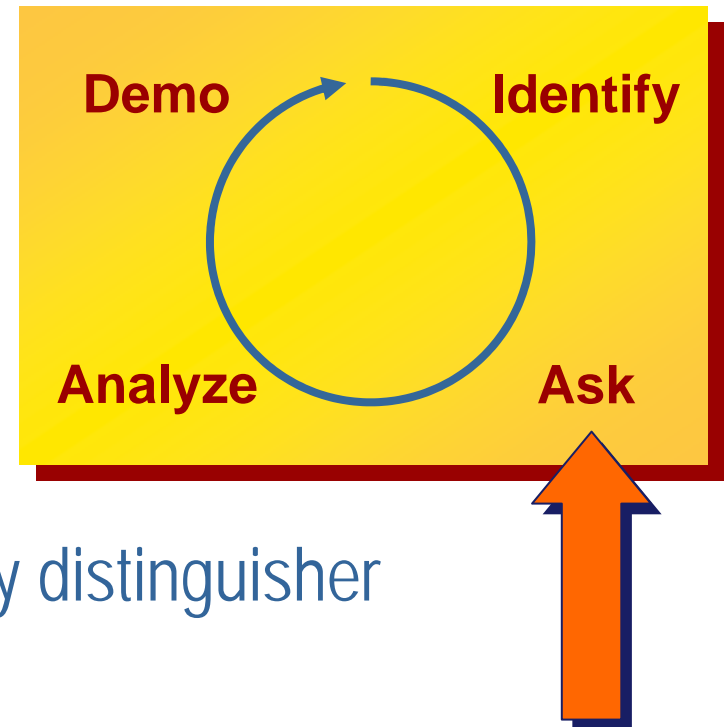






## Ask Vendors

- Determine available packages
  - Market research
  - Web search
  - Conferences
- Select vendors who meet your key distinguisher
  - Meeting
  - Phone survey
- Ask vendors
  - Request for information (RFI)
  - Request for proposal (RFP)





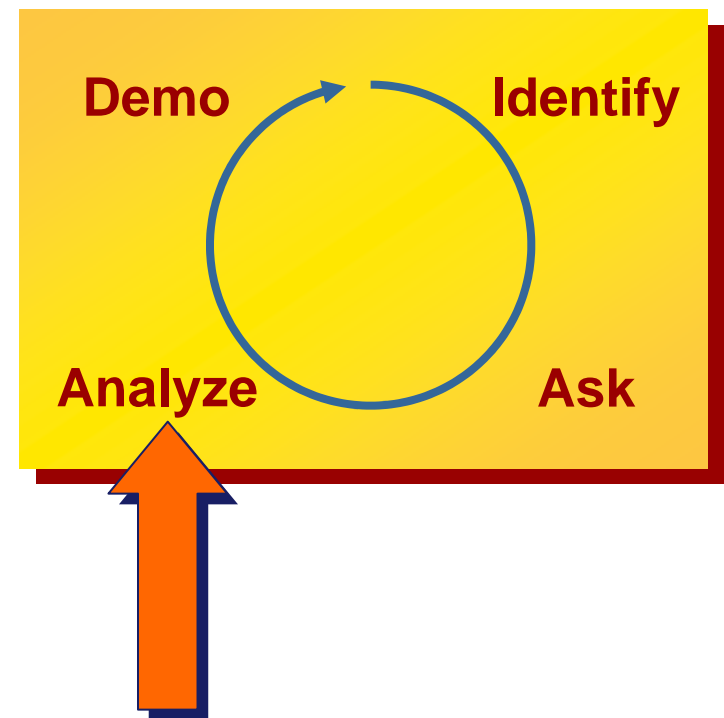
# Request for Info

Request for Information Ship Management Application Business Requirements Worksheet					
Hierarchy	Criteria	AVL	NAL	Priority	Comment
1 Ship Management					
1.1 Crew Management and Payroll System					
1.1.1 Crew Management					
1.1.1.3 Crew Administration					
1.1.1.3.1	Ability to prepare crew list according to date, position, history, relief and extras by position, and compliance with vessel manning and flag requirements.				
1.1.1.3.2	Ability to maintain blacklisted crew and automatic reject in re-assignment				
1.1.1.3.3	Ability to generate active personnel, ashore list and blacklisted crew				
1.1.1.3.4	Ability to sign On/Off crew and automatic update active & ashore list				



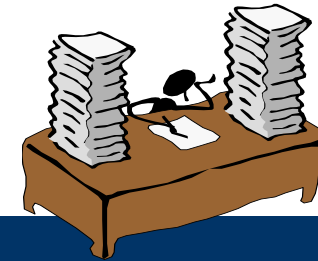
## Analyze Response

- Determine their overall BTISC score
- Divide the responses into sections
- Calculating BTISC
  - Business area fit comparison
  - Technical comparison
  - Implementability comparison
  - Supportability comparison
  - Cost comparison
- Select Finalist





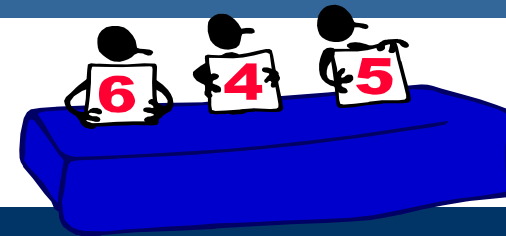
# Analyze Response



Sekur Holdings Inc.

## Evaluation Matrix Ship management Application

	Total	Business Area Fit				
		App 1	App 2	App 3	App 4	App 5
Functional Specifications						
Marine Accounting & Budgeting	47	0	45	39	46	0
Chartering	60	58	59	36	55	55
Maintenance	99	98	95	91	90	96
Purchasing	44	43	43	41	43	40
Inventory	40	38	38	39	36	33
Crew Management & Payroll	102	99	93	94	91	88
Quality Document Management & Auditing System	52	52	52	49	47	52
Insurance & Claims	9	9	1	9	0	0
Operations	63	59	57	41	56	54
<b>Total</b>	<b>516</b>	<b>456</b>	<b>483</b>	<b>439</b>	<b>464</b>	<b>418</b>
Variance from total score		-60	-33	-77	-52	-98
Percentage of meeting our requirements		88%	94%	85%	90%	81%
		Disqualified				Disqualified



# Analyze Response

## Evaluation Matrix - Ship management Application

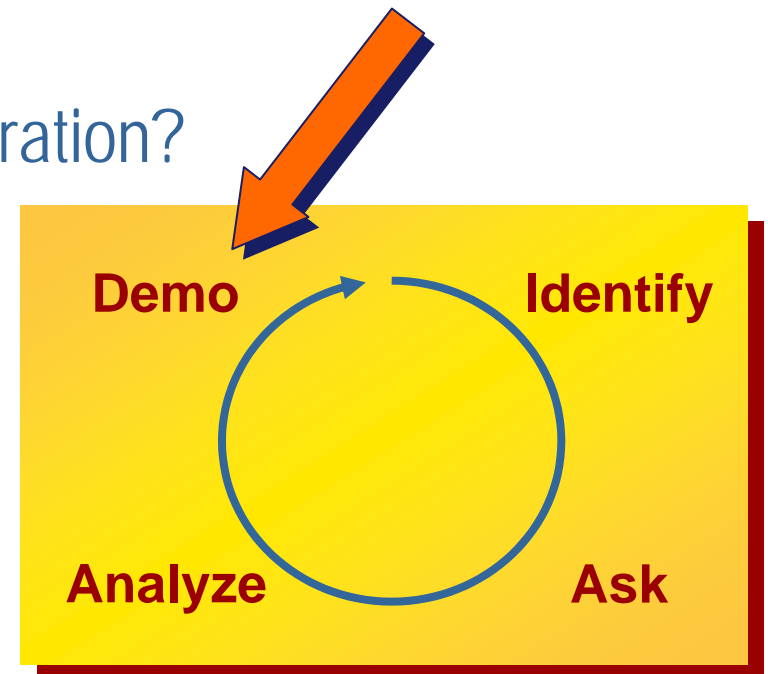
### Pricing Comparison

	App1	App2	App3	App4	App5
Marine Accounting	0.00	14,500.00	17,835.00	25,000.00	36,616.00
Purchasing	30,000.00	13,800.00	16,974.00	20,000.00	22,110.00
Maintenance	12,500.00	6,000.00	7,380.00	15,000.00	12,557.00
Inventory	7,500.00	6,000.00	7,380.00	0.00	0.00
Additional Licenses	0.00	0.00	0.00	66,000.00	0.00
<i>Total Shore Software</i>	<i>50,000.00</i>	<i>40,300.00</i>	<i>49,569.00</i>	<i>126,000.00</i>	<i>71,283.00</i>
Vessel System	109,600.00	56,000.00	68,880.00	80,000.00	0.00
Discount	0.00	0.25	0.31	0.00	
Total Discount	0.00	24,075.00	29,612.25	0.00	0.00
<i>Total Software Licenses</i>	<i>159,600.00</i>	<i>72,225.00</i>	<i>88,836.75</i>	<i>206,000.00</i>	<i>71,283.00</i>
Standard Support & Maintenance	47,660.00	13,000.50	15,990.62	35,520.00	0.00
Professional Services Estimate	420,000.00	151,350.00	186,160.50	17,500.00	0.00
Disbursement Cost Estimate	65,645.00	53,950.00	66,358.50	11,000.00	0.00
<b>Grand Total</b>	<b>692,905.00</b>	<b>290,525.50</b>	<b>357,346.37</b>	<b>270,020.00</b>	<b>71,283.00</b>



# Demo

- Select finalist for demos
- Scripted demonstration
- Arranging your requirements
- Prepare scenario worksheet
- Who should attend the demonstration?

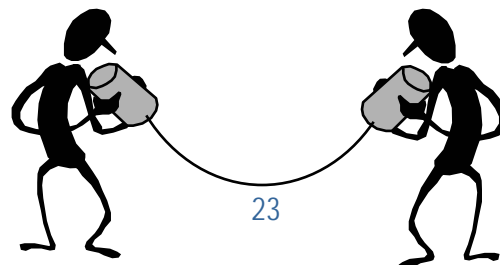




# Negotiate

- Price (user/office/vessel)
- Contract
- Payments – Performance based payment
- Implementation Plan

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## Concluding Remarks

- Better to spend time in selection than to have a *shelfware* application
- Align information systems with business strategy
- Cost should not be the major criteria





# Thank You For Listening Questions, Answers?





## Reference

- [A Guide to Software Package Evaluation and Selection by Nathan Hollander](#)