

ASK QUESTIONS • MAKE BETTER DECISIONS •
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Dirth Vendors

Ask BETTER Questions to Make GREAT Decisions: About Time & Money

Mentoring Code of Ethics

The principals of CMSI Mentoring Solutions have been in the mentoring field beginning in 1978 at the University of British Columbia. Throughout, their respective careers, they have been guided by professional Codes of Ethics that dictate practitioner behavior. They developed and published a Mentoring Program Code of Ethics to ensure right behavior for those associated with any program. The principals of CMSI continue to be guided by these Codes.

Disclaimer

Every reasonable attempt has been made to fully research the information presented in the following pages. The pages in this Ask Better Questions white paper series are to the best of our knowledge correct, complete and accurate.

Information presented on these pages has been gathered over a number of years from a variety of primary and secondary sources (not just via the internet).

The aim is to highlight key issues clients ought to carefully consider before making decisions about mentoring software and associated services.

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Ask BETTER Questions to Make GREAT Decisions: About Time & Money

ESSENTIAL questions you must ask - about time and \$\$

1. Which is the better approach:

- gamble by licensing huge blocks of users (theoretically at a lower cost per user) even if a large percentage likely won't be used (costing much more overall in the end)? or
- be more conservative -- base user license numbers on as many users as seems reasonable per year so that with a higher overall percentage of licenses being used, the cost in the end actually is lower. [see page 6]

2. On average, how long does it take your firm to configure its software for a group of users (a Mentoring Pool)? Is this done by your internal staff or do you send it out to be done elsewhere?

Hidden cost scenarios to run past prospective vendors:

3. A client wants to use the term “*associate*” instead of “*mentor*”, what does the vendor firm do:

- A. alter their software code to make changes, then recompile the code and test [this is a less preferred option as it involves much time, effort and money] or
- B. employ a more advanced and sophisticated software configuration option that can be enabled in minutes based on extensive behind-the-scenes work? . [see page 4]

4. A client wants (A) its colors and logos on all screens not on just the splash page and/or (B) wants more than 3 Demographics for matching. Will it cost extra time and/or dollars to do this?

5. Apart from user licenses, what other fees will a client need to pay the vendor (hosting, Help Desk, training to use the software, etc.)? . [see page 6]

CHOOSERS vs PICKERS

**“Good decisions take time and attention.
Choosers are people who are able to reflect on
what makes a decision important.
It is choosers who create new opportunities for themselves
and everyone else.**

**However, when faced with [some] choices,
we become ‘pickers’ instead of choosers.**

~ The Paradox of Choice B. Schwartz

Read on to see the behind-the-scenes stories.

Ask BETTER Questions to Make GREAT Decisions: About Time & Money

Hidden costs - lotsa time &



Should you expect a prospective vendor to keep a promise it will “deliver in 30 days”? Can this be done? Absolutely. So long as your organization does not cause delays at its end. To be honest, sometimes your organization will delay the process. You can’t blame the vendor for your delays.

So why worry?

Worry about possible hidden costs. Even if you don’t delay (after the contract is signed) it’s possible a vendor will tell you that 10 weeks or more is now needed to do the technical end of the job due to all the changes you’ve asked for. Now you should worry. Read on to find out why.

Delays
Lead to
User
attrition

Probably the word “*customization*” came up in conversations with vendors before you made a choice. Unless you specifically ask, you don’t know what the vendor means by customizations. Here’s some clarity:

1. **configuration:** “yes” “no” check list of already-available features; some may be included in the fees while others may have fees attached; either way, wait time to make the Mentoring Pool ready for Launch should be minimal
2. **change order request:** alterations to code; significant time and costs may be involved
3. **customization:** often used as a catch-all (and therefore almost meaningless) label for #1 or 2 above.

IMPORTANT: If the changes are necessary and even if vendors can eventually do these changes, you may have to wait weeks while these features are created at additional costs. [In the industry, doing this is known as “a one-off” often based on thin rather than robust coding] You need to ask the prospective vendor if your group will have to wait and pay more. Not only will delays cost you time and money, it’s a known fact delays also lead to user **attrition**. Users who are pumped up to use the software won’t wait around while changes are carried out.



What to ask: Ask for lists of “customizations” and lists of what’s “standard” (a configuration).

Which configurations are included and which have fees attached. If what you need is not standard, ask what’s involved in making your changes -- how long it will take and what will the cost be to do the job? You’ll be amazed at the **hidden costs** that might surface.

P.S. We created and registered copyrights in the Library of Congress, (under “mentoring”) 42 mentoring tools. This focus on tool development helps to explain why -- technically -- we aim to offer configurations rather than change order requests.

#	Titles	Headings	Headings Type
[1]	42 Corporate Mentoring Solutions, Inc.	corporate name	corporate name
[2]	2 Corporate Mentoring, Inc.	corporate name	corporate name
[3]	8 Corporate Music Publishing Company	corporate name	corporate name
[4]	13 Corporate Network cOm, LLC	corporate name	corporate name
[5]	1 Corporate of the President of the Church of Jesus Christ of LDS	corporate name	corporate name
[6]	5 Corporate Officers & Directors Assurance, Ltd.	corporate name	corporate name
[7]	1 Corporate Omnidomain Association	corporate name	corporate name
[8]	1 Corporate One Day Health Care Cost Containment Seminars, Chicago, 1983	corporate name	corporate name
[9]	1 Corporate One Day Health Care Cost Containment Seminars, Detroit, 1983	corporate name	corporate name
[10]	1 Corporate Orchestra	corporate name	corporate name
[11]	1 Corporate, partnership, estate, and gift taxation	corporate name	corporate name
[12]	1 Corporate Performance System, Inc.	corporate name	corporate name
[13]	19 Corporate Performance Systems, Inc.	corporate name	corporate name
[14]	1 Corporate Performances Systems, Inc.	corporate name	corporate name
[15]	2 Corporate Philanthropy Advisors, LLP	corporate name	corporate name

Hidden costs - low usage

Many of us read case studies – they’re entertaining. At first we also simply read this DirthVendor case study¹ and found it “interesting”. Then we took a second closer look at the results. Now it’s your turn to take a closer look. Just follow along...

only .0196% of the potential participants used DirthVendor’s software

In February 2003, DirthVendor helped the client launch a pilot mentoring program. At the time, the client already had 11 years experience with formal mentoring programs (more experience than the vendor). The contract was to provide software along with (at a cost) advice on how to run the program.

A pilot typically is small. Post pilot, this client had 26,500 potential participants (many already familiar with mentoring programs). Clearly the expectation was that large numbers would participate at a fee reflecting these large numbers (\$39,000 for up to 34,999 users as a base cost plus other costs such as hosting).

By August 2004 (18 months later), the Pilot’s results were in. A “*go active*” decision for a broader program “*exposing*” the 26,500 people to the software was made. Does that mean it would cost only \$1.47 each? (\$39K divided by 26,500 users). Sounds almost too good to be true, doesn’t it?

Turn the pages of the calendar another 18 months. By January 2006, when the case study was released, enough time had come and gone for large numbers of people to be using the software. And to reap the rewards of four years of investment -- from early 2003. Can we presume the goal was for many people to reach their goals via what the vendor calls “projects”?

Know what a “project” is

In this software “a project” merely means an e-mail has been sent by a protégé to a prospective mentor asking if that person has an interest in working together. Viewed this way, a project <u>might eventually</u> have value.	It does not mean a protégé started and later completed a real project and reached an actual goal – which is how most define “a project”. Viewed this way, a project has <u>tangible value</u> .
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The vendor’s 2006 case study reports “*almost 150 proteges had started projects using the software [and] 370 mentors had registered*” ... out of 26,500 people...

Now let’s number crunch. Remember, by January 2006, 3 years have passed. DirthVendor collects fees all this time. Between August 2004 and January 2006, as a percentage, only .0196% of the people who could have used the software did so... in the form of an e-mail asking: “would you like to work together?” It’s unclear how many of those resulted in actual goal attainment.

DirthVendor’s per person cost went from \$1.47 to \$154 and counting!

Ask BETTER Questions to Make GREAT Decisions: About Time & Money

Now let's number crunch. Averaged out, each month 28 people signed up to use the software out of 26,500.

Now let's number crunch. The cost for roughly 520 users in the broader program ("almost" 150+370) can be calculated as follows:

Feb 2003-2004	Pilot fees ?	
Feb 2004-Aug 04	Pilot fees + fees to set up non-Pilot program	
August 2004-2005	Fee = \$39,000 + other vendor costs number of users ??	
August 2005-2006	Fee = \$40,900 (\$39,000 + 5% inflation factor) + other vendor costs such as hosting 2 yr total = \$79,950 divided by 520 users 2 yr total = \$78,000 divided by almost 150 projects	= \$154 each = more than \$533 per project
August 2006-2007	fee = \$83,947 number of users ?	
August 2007-2008	fee = \$88,145.....number of users ?	

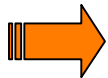
To be fair, there are other ways to calculate the costs.

For example, we could assume the broader program didn't get rolling right away and the case study was for a 12-month period. That brings the per user cost down to \$75 and the per "project" cost to \$260. Plus other vendor costs.

Just the same, there are many blanks any reader would want filled in. Right? Ahead of time. Right?

In 2008, the client said of their program: "*We can't be bothered to grow the program.*"

Maybe the client feels stuck having invested all this money, time and effort. Maybe the client hopes it will get better. The point is it's (relatively speaking) an expensive, slow-growth program for only a few users.



There's got to be a better way!

Let's compare the Colaboro track record:

In January 2006, one of our Colaboro clients reported: "*since its start in June 2005 [6+ months usage], over 450 employees have joined the XXX Mentoring Pool... this new pool is using AutoMatch which has increased the percentage of matched participants to 68%...With these new Mentoring Pool participants, there are now over 1100 people registered in 5 different Colaboro Pools [after 3 years including the Pilot].*"

Better questions to ask:

- What's a realistic expectation in terms of user sign-up? Thousands per month? Hundreds? Or what?
- Is it realistic to think career mentoring, for example, can be done for \$1.47 per person a year?
- What are likely to be the actual total costs? What are the different kinds of costs to be aware of: per user cost estimated before vs at the end of one year? Per completed Action Plan? Per mentors who sign up for a second cycle? Etc.
- How do web-based programs compare with paper and pencil approaches? What are the pros and cons of each?

Footnote 1: The case we use is on the website of one popular mentoring software vendor.