



Establish Solid Foundations To Drive Successful Outcomes From Proof-of-Concept Work

The most effective system implementations start by running a Proof of Concept (PoC) to validate a vendor's ability to support your requirements and highlight areas where custom solution design may be required. A key component of a successful PoC is a clearly defined scope that identifies the types of scenarios, goals, and criteria for completion. Yet we see time and time again firms overlook this element.

Thorough PoC scope planning assures critical needs are tested, and the PoC is completed in a timely fashion, with you and the vendor comprehending the operational requirements and system's capabilities. This scope planning should include defining what success means. Is it an exact match to current operations? Do outputs need to match? Are you testing functionality without reconciliation? Document the answers and have stakeholders, including vendors, agree. PoC complexity and duration will depend upon the definition of success.

Once you have scope, you need to identify task scenarios and select representative data sets. Scenarios should span critical and routine operations. An effective PoC represents "day in the life" tasks for people, processes, and technology such as data imports, quality controls, daily activities, and information delivery. Solicit input from team members responsible for these tasks. If the vendor's RFP responses are vague regarding critical functionality, customize scenarios to test these. Blending daily operations and specific functionality guides defining the remaining scope components.

Having identified scenarios, select representative data sets for testing. If there are scenarios for which current data models are not readily available, create samples that align with the scenarios. It is important to keep the selection manageable ensuring efficient, comprehensive testing. Through judicious data selection, the PoC team ensures a thorough evaluation.

As you move through the POC, recognize constraints and collaborate with the vendor. Establish the time frame for PoC execution – contractual or resource restrictions may dictate duration, influencing the historical data utilized. Refrain from inundating the team with excessive historical data, especially for a short PoC. A fixed duration fosters concentration. Share the scope with stakeholders, including internal business units, vendors, and sponsors. Secure consensus before proceeding to the execution phase.

Collaborating with the vendor is an important part of the PoC, as it helps define the project's scope and align with client expectations. By leveraging the vendor's expertise and input, key elements, requirements, and deliverables can be confirmed, aligning the PoC with desired outcomes. Working with the vendor to develop a comprehensive project plan, including milestones, task assignments, and dependencies, sets the stage for effective collaboration. Regular updates, Q&A sessions, and early data collection maintain the PoC within scope.

HOW MERADIA CAN HELP

For over 25 years, Meradia has worked with a wide variety of financial services firms on implementation projects. We've seen what works and what doesn't. Our expert consultants can review your PoC scope and identify any potential issues from the get-go, so your project progresses as seamlessly as possible.

If interested in exploring the details and implications of these guiding principles, author Nicol O'Connor is continuing this multi-part series in the coming months. Be sure to follow [Meradia on LinkedIn](#) to stay up to date.

Nicol O'Connor brings dynamic and intuitive in-depth knowledge of the full investment process lifecycle to Meradia's client. With valuable front-to-back-office transformation expertise, Nicol presents nearly 26 years of experience as an investment services IT professional. Nicol seamlessly provides front-to-back-office operations. She has worked for leading guidance to Asset Managers and Pension Funds through implementation and integration projects. Nicol excels in assessing, implementing, and upgrading accounting, order management, performance, compliance, and analytic platforms.