# Why Requirements?

The functional requirements are arguably the most important part of the RFP. It is the beginning of a living document that will define scope, hold the project accountable, and serve as benchmark at many points throughout the project including vendor selection, system design, pre-live testing, and post live final acceptance.

Functional requirements will NOT describe system features of what the ERP System will be able to do. They will describe functions that are actually built into the system by the implementer and available for use by the organization. There is a big difference between “can do” and “will do.” Functional requirements describe what will be built into the software and these commitments will serve as a key part of the eventual contract with a system implementer.

# What is a Requirement?

Requirements describe major tasks, outcomes, or functions that the software will need to do to support business processes. GFOA differentiates requirements that address “what” the system must do versus requirements that identify “how” the system should do something. We try to avoid the “how” requirements.

Requirements then will describe:

* Transactions
* Calculations
* Process steps
* Major outcomes (produce PO, process AP, reconcile p-cards, track projects).
  + Specific detail needed with those major outcomes (PO with multiple lines, retention, vendor tracked on p-card purchase, salary overhead to project, etc.)
* Unique information that should be tracked (something like vendor name is not necessary; something like green vendor status is)

All requirements should tie back to a process steps. That way, as you are walking through a process, should be able to identify a limited number of requirements for each step. The trick is trying to identify the correct level of detail for requirements. Too high level and it is impossible to hold the vendor accountable. Too detailed and it becomes unmanageable. Keep in mind “what” vs. “how” and focus in on key outcomes.

# How to Develop Requirements

GFOA’s approach uses the following process to develop requirements.

1. Complete to-be process map. Review to-be process map.
2. Walk through each step in the process map
   1. Identify what the system would need to do
      1. Workflow
      2. Calculations
      3. Information to store
   2. Identify unique considerations
   3. Identify major outcomes
      1. Reports
      2. Actions
3. Review requirements for complete process
   1. Identify any potential gaps

Important Considerations When Building Requirements

* Requirements should be built based on the to-be process decisions (not current process).
* Remember that the #1 use of requirements is to be a checklist for system acceptance.
* Do not prioritize requirements. It is either a requirement or it is not
* Do not copy and paste requirements from another organization (requirements need to be specific to your organization.
* Do not overthink this. No one makes it through an entire project without changing/adding/removing some requirements. This is an evolving document. However we do need a starting point. Any work that you can put in now, you are saving that time later on.