

# From Proof of Concept to Proof of Value

How to reduce the risks  
associated with software implementations



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# Introduction



Navigating new technology projects often raises critical questions: Is this investment worthwhile? How will it impact our daily operations? Will these tools boost our productivity? Does this upgrade offer a good return on investment? Digital transformation, which involves a comprehensive effort to reengineer business processes across multiple areas for seamless integration, can amplify these concerns. Therefore, there is a need to bridge the gap between uncertainty and confidence, and between investment and tangible benefits.

This white paper outlines some steps for tech implementation projects, including the Proof of Concept (PoC) stage and deepening the process with a Proof of Value (PoV). The use of this framework can ensure that the solutions not only meet technical standards but also help to achieve business objectives more effectively.

**10+**

Years of tech projects

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**40+**

Poc & PoV

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**250+**

Odoo users

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**100%**

Client retention rate

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**Markoen Meijerink**

Dutchworld IT Solutions &  
Odologic  
Managing Director

# What is a PoC?

## Proof of Concept (PoC)

A Proof of Concept (PoC) is an important step in the technology procurement process. It is a short, focused project that tests the feasibility of the tech concept or solution. In contrast to delivering a market-ready product, the PoC aims to answer the basic question: 'Can this work?'. It verifies whether the solution aligns with a specific use case and operates effectively in an environment that simulates the client's own.

## PoC vs. Demo

The decision-making process for new technologies typically begins with initial research and tool comparison. Following this, demos often take center stage. Although appealing for their flashy presentations and sleek interfaces, demos merely offer a glimpse of the solution—similar to a film trailer—presenting best-case scenarios in controlled environments. In contrast, a PoC provides a comprehensive understanding of what implementation entails, including the necessary resources, the capabilities of the solution, and its functionality within a realistic operational setting.

## Prototype

Following a successful PoC, the next phase is the prototype - a scaled-down version of the final product, constructed in a controlled setting. This phase focuses on how the concept functions and gathers initial user feedback, refining the idea before it progresses to an MVP (Minimal Viable Product).

## Minimal Viable Product (MVP)

An MVP represents a more advanced stage, where the product is nearly market-ready, and equipped with the essential features to meet its core objectives. In some contexts, the terms "pilot" and "MVP" are used interchangeably, to refer to this stage of readiness before full-scale deployment.

# Comparison

ITEMS TO ANALYSE	PROBLEM/ SOLUTION FIT	DEMO	PROOF OF CONCEPT	PROTOTYPE	MVP
Purpose	Selection of solutions	Standard version in action	Technically feasible idea	Product visualization and usage	Viable product to be tested before final product
Question	What to choose?	How does it work?	Does it work for us?	How will it function?	Are there minor flows to be fixed?
Involvement	*	**	***	****	*****
Audience	Product team	Product team	Product team	Stakeholders	Early adopters
Technical resources investment	X	X	Yes	Yes	Yes
Time spent	**	*	***	****	*****
Risk reduction potential	X	X	Yes	Yes	Yes
Cost effectiveness	X	X	0 / small budget	Minimum budget	Estimated budget



# Benefits

## What are the benefits of conducting a Proof of Concept (PoC)?

In today's rapidly evolving business landscape, incorporating a PoC is advantageous due to its alignment with agile methodologies and its role in optimizing project outcomes. The older, widespread Strategic Sourcing model did not specifically include the PoC stage. Furthermore, in practice, the PoC stage is often bypassed or reduced in scope. Some vendors might hesitate to recommend it, due to concerns about resource use and project delays. Nevertheless, when done correctly, we believe a PoC is a win-win for both parties and serves as more than just a first compatibility check. There are some advantages in the context of complex solutions.



- The PoC provides a safe environment to identify potential flaws early and assess risks before committing more resources. Embracing the concept of 'failing fast' is beneficial; if the team encounters insurmountable challenges, stakeholders can regroup or revise their approach to achieve the same goals through alternative methods. By focusing on deliverables rather than extensive specifications, a PoC offers a realistic preview of the final product, helping stakeholders make better-informed decisions about the project's viability and trajectory.
- Furthermore, it enhances stakeholder engagement. Conducting a PoC promotes ownership and involvement among users by allowing them to interact with their data within the proposed solution. This engagement improves the quality of feedback and facilitates smoother adoption in later stages.
- A PoC also provides a valuable opportunity to assess how well the solution fits within the organization's culture and operational frameworks. It ensures that both features and capabilities are tested in a real-world context, confirming compatibility and integration.

# How does it work?

## ➤ PoC process phases

A PoC, like any other IT development concept project, has its own development flow. Here are some common steps that we use in our approach:



### 1 Define

a. With a clear definition of the **success criteria**, scope, objectives, and business KPIs, the PoC will be an informed test that will respond to specific business needs. Non-tangible or qualitative metrics are also important in the overall evaluation and should be added to the project plan. These might also include features or services previous solutions have failed to deliver. Then, it is critical to gather evaluation criteria from different stakeholder groups (such as category managers, purchasing managers, buyers, stock analysts, controllers, IT, etc.).

b. Define the **technical requirements** for the PoC. This involves identifying the hardware and software requirements, data specifications, and other technical considerations, to ensure that the PoC is feasible and can be implemented within the available resources.

c. Define the expected **user experience** and **functionalities**. The POC process is useful for setting realistic expectations while accounting for real-world limitations. While good UX is vital, a new and shiny solution will take you nowhere from the current state of the business if it replicates the original issues.

d. **Data inventory.** Identify the information that is needed to set up a realistic model. Categorize data into critical and non-critical and identify any potential gaps.

e. Define internal **human resources.** Decide which stakeholders should be involved in the process. . Assess the skills available from both internal and external sources. Big implementations affect employees of various backgrounds and qualifications. It impacts them because they will use the new tools or deal with the solution daily. Simply asking them to be involved in the test case will get them on board and side-step any problems once the tool is up and running. Besides, it's harder to talk down a decision when you're involved. For instance, the management team will have a fresh perspective on how an ERP solution works, while a junior will approach it differently compared to a Chief Financial Officer.

f. Define the **timeline.** Typically limited to 2 or 3 weeks, the duration should be flexible to accommodate the project's scope, limitations, or specific needs.

## 2 Execute

a. **Gather and evaluate the quality of data.**

Ensuring that data is sufficiently structured, categorized and well-understood is key to developing a robust PoC.

- **Structured Data:** This includes well-organized information such as customer details, product specifications, and financial transactions.
- **Unstructured or 'Sloppy' Data:** This refers to information that lacks a predefined structure, such as emails, social media posts, or text documents.
- **Reference and Master Data:** This category might include essential baseline or standard information that guides the development of a concept or solution, ensuring alignment with industry regulations, company policies, or specific business needs.
- **Metadata:** Often called 'data about data,' metadata provides context, aiding in the proper interpretation. It might encompass details like data origin, creator, or date of creation.
- **Process Data:** Including quotes, sales data, and purchase orders, this information can help assess the real-world applicability and efficiency of a proposed solution, contributing to the overall understanding of its value.



b. [Migrate and consolidate](#)

This stage involves consolidating various data sources and formats to create a unified view. It lays the foundation for clear analysis, facilitating a deeper understanding and better alignment of the concept with business needs.

c. [Data integration](#)

This process involves the initial loading of relevant data as well as managing ongoing changes. Understanding how data interacts within the system ensures seamless functioning and provides the desired insights.

d. [Evaluate extension](#) possibilities

Can the new system fully support data capture, workflow, and master data updates for key events in the entire lifecycle? Additionally, does it maintain compliance, ensure complete and accurate master data, and integrate seamlessly if required?

e. [Test](#)

At this stage, rigorous testing of the conceptualized solution is conducted. This includes testing individual features and integrations, and evaluating their alignment with the defined objectives of the Proof of Concept (PoC).

f. [Iterate](#)

A PoC represents more than a simplified version of a product; it generally focuses on a single feature or integration. When assessing the feasibility of multiple features, several PoCs are conducted. Each PoC builds upon the insights gained from the previous one, allowing for more refined tuning of the solution. This iterative process, over time, can significantly aid in the development of a Minimum Viable Product (MVP).

### 3 Communicate the results

A PoC is not a one-way presentation, but a two-way conversation. Reviewing the results and value of the PoC with the stakeholders, and comparing them with the agreed scope and success criteria is key to the process. A decision should be made if there is room for change/adjustment or if there is an opportunity to conduct a [Proof of Value](#).

Conducting a PoC often reveals that only a smaller portion of operations - perhaps 30% - requires immediate attention, while the rest can be addressed later. Adopting a small-step approach can be more effective. The strategy is not to 'eat the whole elephant' at once, but rather to focus on the most critical and problematic areas first.

# From Concept to Value



## A closer look to the Proof of Value

Without the crystal ball and beyond adhering to methodologies like Agile or Prince2, it is important to grasp both the step-by-step process and the ultimate goal: What are we aiming to achieve in the end?

As we engage in digital transformations and strategic business and IT alignment, one concept emerges as a critical tool: the **Proof of Value (PoV)**. It plays a distinct role in demonstrating the real-world value of technological solutions within an organizational context.

Proof of Concept (PoC) and Proof of Value (PoV) have different meanings and serve different purposes.

Below is a comparison table that summarizes the key distinctions between them.

# PoC/PoV comparison

ASPECT	POC	POV
Objective	Demonstrates that a concept or idea can be realized, focusing on the technical feasibility.	Validates that a solution brings value to the business.
Focus	Technical aspects and functionality. Assesses feasibility.	ROI, alignment with organizational goals. It shows how the solution can improve efficiency, reduce cost and increase revenue.
Scope	Typically narrower, concentrating on a specific feature or part of the system.	Broader, larger scale, considering the entire solution or a larger part of it, and its impact on business objectives. It shows the real impact and benefits of the solution.
Stakeholders	Primarily technical teams, developers, and architects.	Business stakeholders, executives, managers, along with technical teams.
Success criteria	Technical feasibility, ability to develop the solution.	Demonstrated business value, positive impact on key performance indicators.
Duration & Timing	Usually shorter as it focuses on a particular feature or functionality. It is typically conducted early in the development process concept before investing resources in a full implementation.	Might be longer as it often involves complete workflows or processes and analyzes business impacts. A PoV is conducted after the solution has been developed and tested.
Risk and Investment	As a preliminary step in development, there is no risk associated with it. The results are a good investment for any business, irrespective of if they decide to move further to an implementation or not.	Again, there is no risk associated with it and the results are a beneficial investment for any business.
Outcome if successful	Move to the next phase of development, possibly a PoV.	Green light for full-scale implementation and development.
Outcome if unsuccessful	Reevaluate the idea, modify, or abandon the concept.	Reconsider the approach, alignment with business goals, or potentially abandon the solution.

## ➤ PoV in practice

Let's take a practical example to work on this parallel.

Imagine that a company is considering implementing a new ERP system that promises to enhance the collaboration between different departments by unifying communication channels, automating workflows, and providing real-time analytics.

In the **PoC** phase, what is essentially being tested is whether the new ERP system can be integrated into the existing infrastructure. Questions to address might include:

- Is the system compatible with existing hardware and software?
- Can it handle the volume of data?
- How is the user experience for employees at different levels?
- Are there any security concerns?

A successful PoC might demonstrate that the ERP system can indeed be implemented in the current environment without any major roadblocks.

The **PoV** comes into play to measure if the implementation of this ERP system is justifiable from a business standpoint. This involves looking at:

- How much time is saved through automated workflows?
- Is collaboration genuinely improved across different departments? What are the expected and quantifiable outcomes of this improvement?
- Are the analytics provided leading to more informed business decisions? Which are the types of business decisions that will benefit most and to which extent?
- How does the system impact overall business agility?
- What is the quality of support provided by the vendor/ IT partner?

These aspects require not only a theoretical understanding but also a practical evaluation within a real operational environment. Unlike the PoC, which might be conducted in a controlled setting, the PoV requires a trial run within the business's daily operations to assess its real-world value.







## ➤ PoV impact on business initiatives

Executing a Proof of Value (PoV) provides a comprehensive overview, which is why business-oriented Solution Architects are instrumental in guiding businesses into this process.

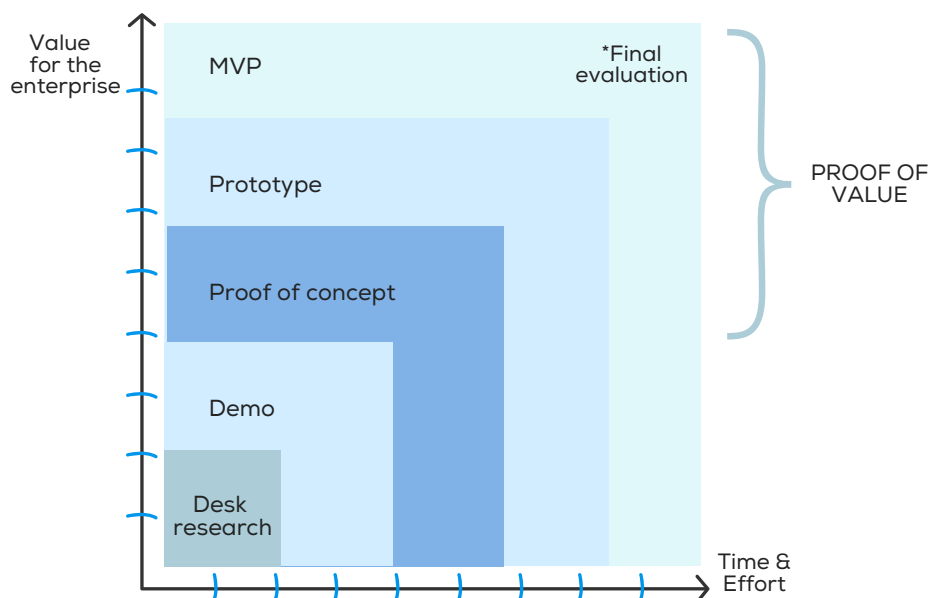
At the start of a PoV, it's critical to clearly define the desired outcomes and expected business impact. This could involve enhancing operational efficiency, boosting revenue, or fostering innovation. Setting clear benchmarks and success criteria is essential for measuring success.

For example, evaluating a new CRM system might focus on metrics such as customer engagement, response times, sales conversions, and employee satisfaction. Similarly, for a supply chain optimization tool, important metrics could include reduced lead times, lower inventory costs, and improved order accuracy.

By establishing specific, measurable goals, we can truly assess the solution's practical value and ensure it supports the overall business strategy.

The final PoV report equips the business with data and insights for decision-making, encompassing business analysis, user feedback, financial projections, and future strategies.

In conclusion, a PoV merges the technical evaluation with a clear communication of the expected business value, offering a framework to evaluate potential changes and measure their impact. Beyond functionality, it determines whether a solution aligns with business strategies, processes, and culture.



# Conclusions



An important element during both the Proof of Concept (PoC) and Proof of Value (PoV) phases is maintaining an open attitude. Early verifications might yield answers that are not immediately pleasing but can save a portion of the budget. At Dutchworld, we have coined the term "Guesstimate" to describe the more realistic approach needed for cost estimation in complex IT implementations. Unlike some approaches that provide fixed costs from the demo stage, it acknowledges that initial estimates are rough approximations. Also, it emphasizes the importance of PoC and PoV phases in refining these estimates to offer a more accurate picture of the necessary steps and associated costs.

When conducting these exercises, the partner facilitating the change must have a deep understanding of the client's business. The client should be able to clearly define **the WHY**. Then this clarity enables the consultant to effectively map out **the HOW**.

At the end of such a journey, businesses can reap the benefits of **Digital Transformation**. Minor improvements or maintaining 'business as usual' are not sufficient in today's competitive environment. Companies that do not invest time in developing new business solutions, and adapting are at risk of being sidelined or overtaken by more dynamic challengers.

At Dutchworld & Odologic, we have experience helping customers realize their goals through iterative steps, PoCs, PoV and ultimately adding value to their businesses. We aim to deliver services and innovative solutions that offer advantages in **Time, Quality** and **Costs**, tailored to the requirements of each client. We provide an opportunity for clients to get a better understanding of the technical product - both in terms of functionality and flexibility. Partnering with an expert in both business strategy and technology is essential to solving complex dilemmas and making informed decisions that suit unique needs and goals.



# Client Testimonials

## Digital Transformation Perfect Plant Deal

**Enya van Dijk**  
Owner

"Initially, we believed that a new module would solve our problem. However, once we engaged in a [Proof of Concept](#), we realized that more profound changes were necessary to align with our goals and budget. Over a focused three-week period, Dutchworld's team guided us through the PoC process, identifying critical challenges and designing a tailored plan to address them. The PoC set the stage for long-term transformation. These insights into our specific needs were beneficial in shaping our strategy."

## Added value in B2B Gas Control Systems

**Pieter de Vries**  
CEO

"A typical old workflow involved checking multiple spreadsheets, software systems and tools. Anyone knows how it is when you have more systems that do not "talk" to each other. The more you can reduce that, the faster and more accurate your operations are. And of course, the clients expect small companies to offer the same ease of interaction as big corporations. Fortunately, due to our recent upgrade assisted by Dutchworld IT Solutions, we are more able to speed up the pace and serve our B2B customers in a better way."

# Team Expertise



Our team comprises experts in various fields, including business consultancy, IT development, integration and high level support.

 **Managing Director**



**Markoen Meijerink**

 **Senior Business Consultant**



**Liran Ovadia**

 **Tech Team Lead**



**Marc Bannink**

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