



- The CFO's Checklist:  
**10 Valuable Questions to Ask a Vendor  
That Go Beyond the Demo**

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# Introduction



Many organizations face challenges when implementing technology projects. Industry research suggests that by 2027, more than 70% of ERP and platform initiatives will fail to fully meet their original business goals. The most common pitfall begins with a perfect demo. Vendor sales teams often overpromise and under-deliver.

We have noticed that even after six months of post-implementation, most deal teams are still living in Excel, the organization faces thousands of "custom report" fees, and at times need to pay additional fees for modules that the teams actually need, and user adoption is dangerously low.

This scenario exists for most companies that have undergone such a transition. For a private equity firm, a failed implementation is not just money not-spent-well; it is a strategic liability that erodes trust, kills productivity, and puts them at a competitive disadvantage. The problem often starts before even signing the contract as critical questions are never asked.

A vendor demo is a controlled environment designed to showcase a platform's strengths. It rarely reflects the true reality of a firm's valuation process, complex data, unique fund structures, and specific workflows. Accurate due diligence means pushing beyond this polished surface. This is also where an expert **Managed Services Provider (MSP)** can be invaluable; they know the key questions to ask and understand how to apply industry best practices for specific clients. Whether you work with a partner or implement technology projects alone, this checklist is your guide to vetting a vendor not just as a software provider, but as a long-term strategic partner.

# Phase 1: Vetting the Technology for PE Realities

## Q1 . "Can you demonstrate a real-world PE workflow using our sample data?"

It is prudent to not let a vendor use their own perfectly curated data as clean, hand-picked numbers usually make any platform look good. It is recommended to provide a sanitized, but complex, data set from one of your funds and ask them to perform a specific task live. For instance, the vendor team should model a complex waterfall distribution with a preferred return, a GP catch-up, and multiple closings. You can also challenge them to onboard financial data from a newly acquired portfolio company that uses a non-standard chart of accounts. Their ability (or inability) to do this on the fly, speaks volumes and is often not recognizable from their presentations.

## Q2. "How is your API built for robust, bi-directional integration across complex systems?"

Every vendor today will say they have an API, which alone carries no weight. The real question is not whether they have an API, but whether it's a **true, robust, bi-directional API** capable of seamlessly handling both inputs and outputs across your critical systems.

For example, can their API effortlessly pull data from platforms like **NetSuite or Investran GL** and push it into your **data warehouse** (e.g., Snowflake, Azure) or **BI tools** without breaking? It should not rely on a one-way "data connector" that demands constant manual intervention and struggles with every software update.

Here is a practical approach to evaluating credibility and quality:

- **Request Technical Documentation:** Look for clear, detailed specs that outline how their API handles both inbound and outbound data flows.
- **Ask for Sandbox Access:** Test the integration to see how it performs with your specific systems.
- **Request Proof:** Speak with a current client who has successfully integrated the API with the same platforms you use. This will reveal whether their solution is truly scalable and reliable.

Do not settle for buzzwords. A true API should act as the backbone of your data ecosystem, enabling seamless integration between **inputs like NetSuite and Investran** and **outputs like Snowflake, Azure, or your BI tools**. We recommend not settling for anything less.

# Q3. "What are your specific security and data governance protocols?"

For private equity firms managing complex user roles and multi-entity fund structures, robust security and data governance are non-negotiable. Here's what to evaluate:

- **Data Protection:** Ensure the system uses strong encryption (in transit and at rest) and complies with data residency requirements to safeguard sensitive information.
- **Granular User Access:** With roles like portco users, deal teams, valuation professionals, and portfolio managers, ask how permissions are managed to ensure users only access the data they need. Can the system prevent cross-fund access (e.g., Fund IV vs. Fund V)?
- **External Data Sharing:** Confirm safeguards that prevent unauthorized sharing of sensitive funds or portfolio data outside the organization, ensuring compliance with LP and regulatory requirements.
- **User Management:** Verify how the system ensures accurate, up-to-date access, supports role-based permissions, and provides audit trails to track user activity and data interactions.

A vendor's ability to address these complexities is critical for meeting LP expectations, regulatory compliance, and operational integrity. It is recommended to request a demonstration of their security and governance capabilities.



## Phase 2: Evaluating the Partnership and the People

### Q4. "What does the implementation team look like, and have they worked with PE firms before?"

A vendor's contract is more than buying code; it implies investing in the expertise of the team that will configure and deploy it. We have seen numerous examples where firms chose vendors with generic "corporate finance" implementation teams, only to spend months explaining fundamental private equity concepts like capital calls, carried interest, and fund recycling. These misalignments often lead to delayed timelines, increased costs, and frustration.

This is where **independent MSPs can be a great way to ensure alignment, as they have vast implementation experience and are focused on the success of the implementation, not on the sale of the product.** Whether you engage a third-party expert or rely solely on the vendor, ensure the team assigned to your project understands your industry from day one. The best practice is to ask for the credentials of the project manager and lead consultant who will be dedicated to your account to correctly assess their expertise.

## Q5. "What does the support model look like in Year 2, and what does it cost?"

Most vendors offer great, high-touch support for the first 90 days. But what happens after the "go-live" timeline is complete? This is where hidden costs and long-term frustration often appear. It is recommended to ask for the specific Service Level Agreement (SLA) for ongoing support. Is it a tiered model? Do you get a dedicated account manager who understands your business, or are you just another ticket in a generic support queue? Get a clear picture of the long-term relationship before you commit.

If the long-term vendor support model feels too thin or generic, it may be worth exploring partnering with our execution-focused Fund and Portfolio Analytics Team at Alvarez & Marsal to protect your investment and keep things running smoothly.

*Struggling with a previous implementation that went wrong? Our hands-on system optimization experts can help get your project back on track.*

## Q6. "How have you helped a firm like ours drive user adoption with a resistant deal team?" (Change management)

This is the multi-million-dollar question. The most powerful platform in the world is useless if your team does not use it. A great vendor is a change management partner, but this is another area where an experienced **MSP can be a valuable ally, as they often act as dedicated change management experts.** It is prudent to look for answers that include customized training sessions, a plan to identify and empower internal "champions," and strategies for building dashboards that show a clear "what's in it for me" value to the investment professionals. If their only answer is "we provide training manuals," you are taking on the entire burden of adoption yourself.

## Phase 3: Uncovering the Financials and the Future

### Q7 . "Provide a complete pricing model detailing every potential add-on fee for the next three years."

To understand the **Total Cost of Ownership (TCO)**, you must look beyond the initial quote. Ask for a line-item breakdown of all potential fees. Get specific numbers for variables such as:

- Data storage tiers and overage charges
- Adding new users (both full and read-only)
- API call volume limits
- Fees for creating or modifying reports
- Charges for mandatory software upgrades
- Different tiers of ongoing support

The service agreement should include all the above. We feel that a transparent partner should have no problem providing this.

## Q8. "How is your product roadmap influenced by client feedback?"

When you buy a platform, you buy a piece of its future. A vendor with no clear, documented product roadmap is a major red flag. It is recommended to look for a transparent process where clients can submit and vote on feature requests. This shows they are a partner invested in your future needs—like evolving ESG requirements or LP reporting standards, and not just a seller of a static product. Speaking with existing clients about the roadmap can also provide valuable insight into whether planned features are not only being developed but also delivered in a timely way.

## Q9. "How are you practically incorporating AI into your platform?"

"AI-powered" is the marketing buzzword of the decade. Your job is to cut through the hype. Instead of accepting a vague answer, ask a specific question: "Show me exactly how your AI automates the extraction of KPIs from a portfolio company's quarterly financial statement." If they present an AI virtual assistant or chatbot, request to test it firsthand, as these tools are often designed to impress during demos but may lack practical effectiveness.

## Q10. "Can we speak to a client who left your platform and one who has been with you for 5+ years?"

This single question is the ultimate litmus test of a vendor's confidence and transparency. A great partner will have long-term clients who can attest to their scalability, reliability, and customer service. They also should not be afraid of you speaking to a former client who left for a legitimate reason (e.g., they were acquired), as it shows they have nothing to hide. An immediate "no" to this question is a red flag.



# Beyond the Checklist

**Q11** . "Before we sign a multi-year contract, how confident are we that this platform will remain the best way to do this work?"

The first ten questions assume you need a platform. This final question challenges that assumption and it deserves serious consideration.

With the rapid advancement of AI-driven workflows, some capabilities you are evaluating in a platform today may be delivered faster, more accurately, and at lower cost through emerging alternatives. Some, not all. The question is as much for the vendor as it is for the CFO to ask internally.

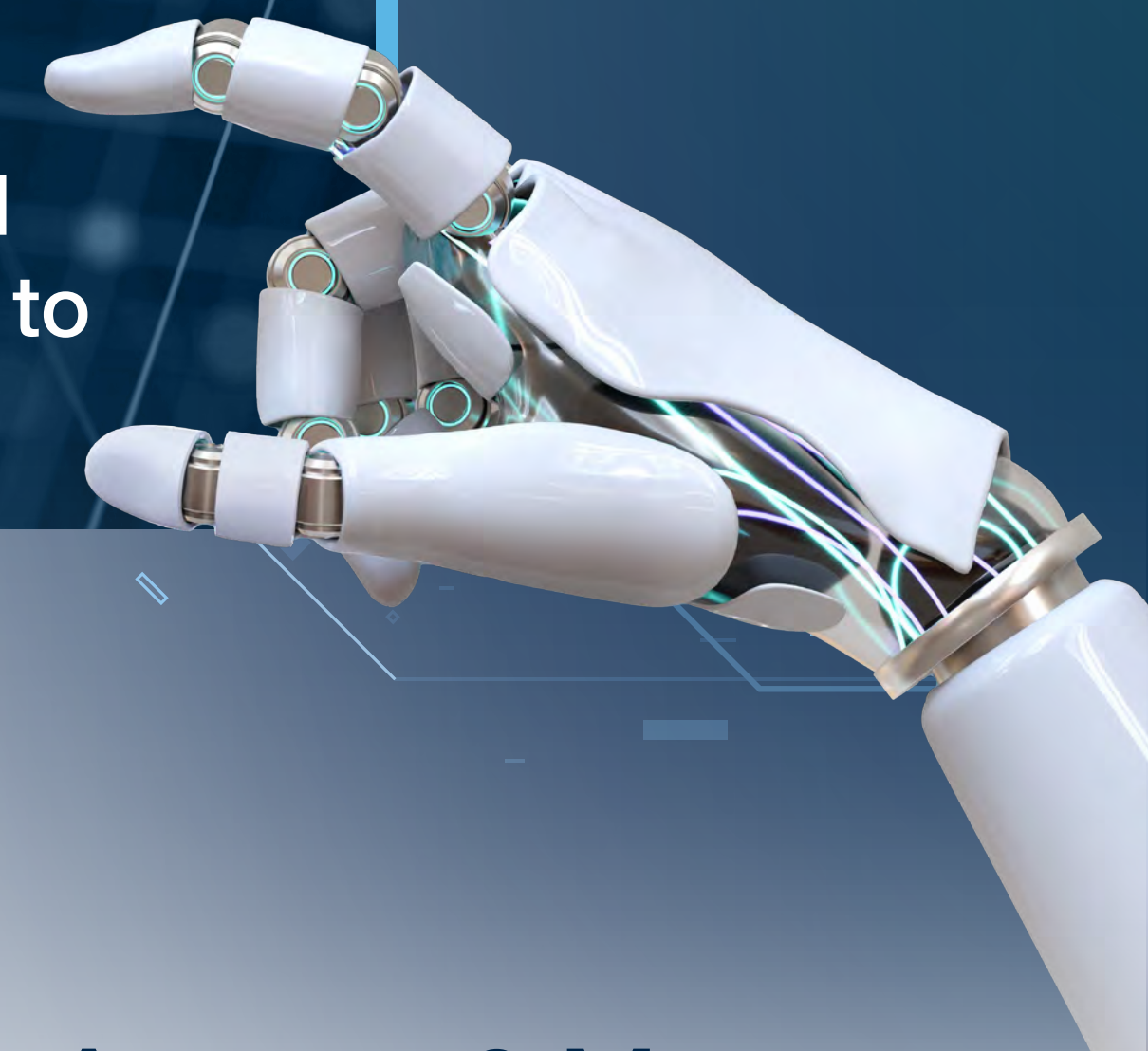
This does not mean platforms are obsolete. Systems of record, data infrastructure, compliance workflows, and LP reporting still require robust, purpose-built software — and the platforms that enable AI integration will thrive. But before committing to a multi-year contract, it is worth asking a harder question: are you investing in a long-term strategic asset, or are you locking into a workflow that AI will handle natively before your implementation is even complete?

This is where an independent advisor becomes essential. A vendor will never tell you their own product is at risk of displacement. An experienced platform advisor with deep knowledge of AI-driven workflows can help you evaluate which parts of your technology stack have lasting strategic value and which are better served by emerging capabilities.

*At A&M Fund & Portfolio Analytics, we are actively building and testing these workflows alongside our platform implementation and management services. We can help you make this call before you sign.*

# Conclusion: It's a Partnership, not a Purchase

Choosing a technology vendor is one of the most critical strategic decisions a CFO or COO can make. It impacts everything from back-office efficiency and data integrity to LP relations and your firm's reputation. By moving beyond the sales pitch and asking these tough questions, you can select a true partner who will mitigate risk, control costs, and drive long-term value for your entire firm. At A&M Fund Analytics, we are experts in asking the tough, insightful questions that lead to fruitful partnerships and implementations.



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Reach out learn more about our value proposition and services.



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