

WHEN EVALUATING, SELECTING AND BUYING YOUR NEXT ACCOUNTING SOLUTION

10 ESSENTIAL QUESTIONS TO ASK YOUR PROSPECTIVE SOFTWARE SUPPLIER

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POSTMODERN ERP

INTRODUCTION

As a company grows, it is essential that the accounting and reporting capabilities grow with it. However, selecting the correct accounting solution, whether that be web-based or on-premise, can be a daunting process – with more than 600 products to choose from in the UK alone, how do you know that you are choosing the right one?

This e-book outlines ten questions to ask your supplier during the selection process and highlights the key areas medium-sized organisations should consider when evaluating an accounting system.

Not only will this help ensure it is the correct fit for your organisation at the present time, but will also mean that you select an application that will support your business goals and avoid costly mistakes such as having to buy and integrate third-party Business Intelligence (BI) or Workflow

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10 ESSENTIAL QUESTIONS TO ASK YOUR PROSPECTIVE SOFTWARE SUPPLIER

1

What are the costs and time-frames associated with implementation?

2

How easy is it to use and how much training does it require?

3

Does it use standard business forms to reduce confusion with debits and credits?

4

Does it include advanced accounting functionality as standard?

5

Does it offer fast, intuitive drill-down and drill-through?

6

Does it feature in-built Business Intelligence?

7

Are there Workflow capabilities included as standard?

8

Does it integrate with Microsoft Excel?

9

Does it integrate with business calendars to help drive efficiencies?

10

Are security and back-up taken care of automatically?



What are the costs and time-frames associated with implementation?

Web-based solutions provide access to applications for automating functions or entire business processes. Delivered via a network or over the internet, and therefore accessible at any time, from anywhere, web-based solutions, adopt a multi-tenancy or one-to-many business model. As a result, one application, as standardised as possible, is used by many users providing economies of scale and replacing expensive consultancy, licence and maintenance charges by a simple service fee. Getting started should be easy as the reference data is normally managed by means of common, easy-to-use maintenance functions; each type of reference data normally consists of a set of predefined fields and a number of user defined fields that have been configured for the specific implementation.

The fields may be laid out onscreen as desired through the system's form designer. Where additional systems configuration is required, there should be no need for programming or complex coding skills because all system administration is done using a consistent web browser interface, so you can customise and tailor the solution to meet the growing and changing needs of your business.

Most suppliers also recognise that many users will not be choosing an accounting system for the first time. In order to make the transition from a legacy system to a more contemporary solution more straightforward, providers offer a range of additional migration service options, from moving reference data across from your old system (customers, suppliers etc.) to the transfer of account balance and transactional data to provide reconcilable opening values across your finance system.



How easy is it to use and how much training does it require?

Web-based applications are designed for ease-of-use, allowing staff to use the system with the minimum amount of training.

Systems should be pre-configured to recognise common groups of time such as 'this period', 'this week', 'this month', and 'this quarter'. Making notes and adding detail to documents should also be very straightforward, for example, pop-up notepads allowing text to be entered directly or copied from other applications or reference material.

In addition, it should be possible for documents such as scanned images to be added to journals, as well as providing high quality PDF (portable Document Format) outputs which can be emailed to staff, customers and suppliers as required.



Does it use standard business forms to reduce confusion with debits and credits?

Rather than just entering journal information about a sales invoice, systems need to be configurable to capture information from the original source document, pass it through an approval process and print a hard copy (if required) before releasing it to the ledger.

Data needs to be captured within a document which reflects the way most organisations operate. For example, one cash receipt document should summarise cash receipts from multiple customers in a single step; one weekly time-sheet can address multiple projects and activities; invoices can be free form or relate to catalogue items, and a payroll summary could link to the detail captured in the payroll system. At all stages the behaviour and impact of debits and credits should be automatically governed by the system, reducing errors and processing times

4 Does it include advanced accounting functionality as standard?

Web-based solutions that are specifically designed for mid-market companies and feature a range of functions that may not be standard in other, more general accounting applications.

These include full budget processing, which enables the finance team to easily track income and expenditure across an almost unlimited range of analysis, as well as international support, for example, multi-lingual and multi-currency capabilities.

Other advanced accounting functionality might include:

- Complete order to cash (OTC) and comprehensive Procure to Pay (PTP) cycles
- Flexible Period Management
- Budget Management & Processing
- Accruals and Prepayments
- Comprehensive Multi-currency
- Commitment Accounting
- Timesheet Management
- Expense Processing



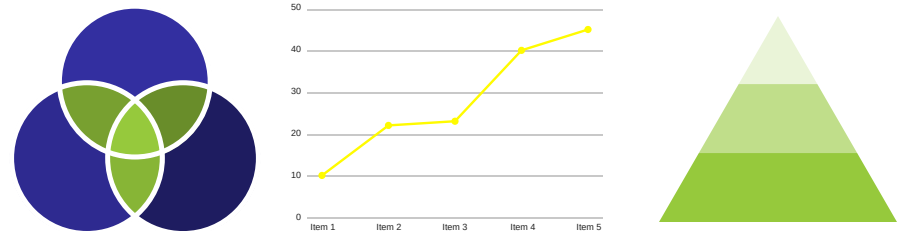
5 Does it offer fast, intuitive drill-down and drill-through?

It should be straightforward to enquire on any data at any time, without resort to a manual, complex planning processes or long, irrelevant hard copy print outs. Summary views should be run directly within a browser, each one being able to be expanded into a detailed view to show individual transactions or journals (Drill Down).

Intelligent drill-down capabilities should also enable information to be sorted on-the-fly in ascending, descending and entry sequences, and examined in different dimensions. For example, from an account enquiry, the user could select the journal number to display an enquiry for the selected transaction or a document enquiry by selecting the specific invoice or order reference.

6 Does it feature in-built Business Intelligence?

Business Intelligence tools such as the Smart-KPIs from Aquilla, are essential for businesses to track both financial and non-financial metrics, allowing the management team to define and measure progress against operational and strategic goals. Crucially they also provide an immediate assessment as regards the present state of an organisation and in doing so help prescribe likely courses of action to address areas requiring attention.





Are there Workflow capabilities included as standard?

Many organisations find the solution they have selected is not the end of the story. As well as report writers and data integration tools, very often it is necessary to purchase an additional workflow tool. Choosing a solution that features built-in functionality to manage the processing of each document, track the approval process and for different users to view or change information before it is finally committed to the ledger, reduces both cost and the complexity of integrating a third-party solution.



Does it integrate with business calendars to help drive efficiencies?

Linking date and time related activities to calendars, and displaying them on the user's homepage helps to manage activities and ensure actions are completed. For example, the payment of Income Tax and National Insurance contributions, which are due on the 19th of each month, could be defined as "PAYE Submission" and as the date approaches, a series of coloured messages get displayed on the home page to warn of the event and/or email warnings sent to nominated recipients and/or workflow events triggered as required.



Does it integrate with Microsoft Excel?

No accounting supplier can ignore what is probably the most commonly used analysis tool in the world – Microsoft Excel. Choosing a solution that closely integrates with Excel and facilitates very simple analysis of live data, the maintenance and update of reference data, as well as providing the means to import transactional data directly from an Excel worksheet, means that people can define reports in Excel.

There are also the occasions when it is more convenient to collect reference information externally. For example, when initially setting up the system, a finance team may wish to copy supplier data from the previous purchasing system or collect activity information from a project management database. In these situations, the external data can be imported into Excel and mapped to the layout required.

10 Are security and back-up taken care of automatically?

Web-based applications are inherently more secure than their traditional 'on-premise' counterparts. With the data located in a secure location on application servers which have been designed to handle many thousands of users and which are constantly monitored and backed up, users are guaranteed the highest levels of security and data assurance.

Data is less exposed to risks, such as theft, fire and flood damage, as well as the failure of specific PCs and servers, or unauthorised access by personnel in less secure areas of your premises. Power, connectivity and network performance are constantly monitored to a higher degree than most organisations could aspire to.

Having the ability to access the system securely from virtually any internet connected device, there is also less of a need to carry information around in Excel spreadsheets on unprotected laptops in order to share data. Opening a new branch of your business, working from a hotel or from home or checking a piece of information whilst visiting a client, should not require the additional installation of complex terminal services or other VPN technology.

