



Selecting an accounting system



Whether you are just starting up as a business or experiencing rapid growth, picking the right software to manage your finances can be a daunting task. Where do you start? What questions do you need to ask yourself and potential suppliers? How do you make a choice? No matter whether you are a single site retailer, a business with multiple sites or even a thriving on-line florist, here are some points you should consider.

Matching size with solution

Size matters both now and in the future. If you are a small business there are plenty of specialist packages that will more than adequately meet your requirements. However, you also need to think where you want to be in the long-term. If you have ambitious plans to grow, then you need to find out how 'scaleable' the product is, will it still support you once you have a chain of shops or is it likely to become redundant as you need to manage larger volumes of orders, expand on-line or enter new markets on a national or international basis?

Preparing a 'wish-list'

To find the best solution you should draw up a list of the functionality you require. This can then form the basis of an RFI (Request for Information) that you can send out to a number of potential suppliers. The majority of systems will offer the basics such as General Ledger, Accounts Payable and so on. What you should highlight in the RFI are any specific or additional features that you need over and above the standard offerings. These may include ability to support web-based transactions, credit card payments, multi-currency, project accounting or the ease of which the core accounting system can be integrated into back office systems such as sales order processing or bespoke florist applications. Building a wish list will help you prioritise your demands and makes it easier to shortlist potential suppliers.

Will it support your business strategy?

It is important to compare the different features of systems, but it is also crucial that you choose a solution that will support your overall business strategy. For example you may wish to reduce time spent on financial management such as manual data entry or having to update multiple systems with the same information. By choosing a finance system that fully integrates with systems

from all departments, from stock, purchasing, warehousing and/or sales, you can ensure that data is shared automatically and is never out of step.

Many businesses would also prefer to reduce overall paperwork by introducing electronic purchasing and payment. Not only does this save on physical storage, but it also gives non-finance personnel easier access to relevant information. Choosing a system that is wholly web-based can help an organisation that needs to share financial information with a large range of employees. For instance software packages such as bluQube can be accessed via a standard web browser, giving them a financial view that can be tailored according to individual's requirements or access rights.

Having financial information at your fingertips can improve cashflow, strategic planning and budgeting, and can also devolve responsibility to the relevant departments or members of staff. A web-enabled system can also overcome the problem of accessing financial information from different locations. As long as you have Internet access, personnel can check on data wherever they are.

True integration

Be wary of suppliers that say they offer integration between the core system and other systems. Ascertain whether it's 'true' integration in real-time or does it rely on techniques such as 'batch processing' that only update systems at pre-set intervals. Look for software that is based on relational database technology, so you can be assured that sales, customer databases, dispatch and/or fulfilment systems are always in sync. Some suppliers may even supply all-in-one business solutions that address every aspect of your operation. These can have their merits in that you deal with a single supplier, but it doesn't necessarily mean that you will be getting 'best of breed' and may have to compromise on functionality. The majority of 'open' based systems allow you to keep your old legacy systems that can then be integrated with a new finance platform.

Get 'buy-in' from all parties

Think about who will be affected by the new finance system. Get feedback from all departments or members of staff that may use the system. This can include non-finance staff with responsibility for sales, marketing, budgeting or even debt collection. Find out what type of reporting is necessary. Will you need a solution that offers just standard reports or are you looking for more detailed analysis of trends/forecasts that can be tailored for management consumption.

Vendor attitude

Apart from making sure that a solution ticks all the right boxes, you must also be happy with the relationship with the chosen vendor. Of course, you need to check out their credentials, how long they've been established, talk to reference customers, but you also need to be sure you will be comfortable working with them. Test how responsive they are, do they really understand your business needs, and can they provide the type of support you need whether it's via telephone or on-site? Do they have the resources if you are considering a complex system and can they meet your deadlines? Make sure you meet more than the initial salesperson. You need to know who will be there to help you with any training, teething problems or future development work along the way.

Return on investment

Last but not least, you obviously need to review the cost of the system and whether it will provide a speedy return on investment. ROI will normally be dependent on the organisation, but in principle you should expect a 40% ROI in year one and 80% in year two, assuming that a company was originally using an older character-based system. Many cost-savings come from procedural changes such as elimination of time-consuming paperwork, automating what were previously manual tasks such as re-keying data and the introduction of self-service accounting such as e-commerce and e-procurement.

Where next?

If you need further help or information, bluQube has prepared a helpful booklet for evaluating different systems or visit the BASDA (Business Application Software Developers Association) website where you can find more details on the selection process. Check out www.bluQube.co.uk and www.basda.org for more.

This article was written for *Florist & Wholesale Buyer* by **Simon Kearsley**, Managing Director for **bluQube financial management solutions**.

