

# 37 New Ideas for Growing Businesses



 **Silverware**

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With the speed of globalization, industry convergence, and technological change, business owners are waging competitive battles on many fronts: streamlining business processes, leveraging new technologies, and building value across their organization. If your company is facing challenges like these, you need to evaluate what's best for your business.

If you're thinking about implementing a new accounting system, you'll want to gather all the facts before you make a decision. The new system can impact nearly everyone in your corporation, so each decision is critical. The task is substantial and it can be tough to stay within your budget.

This guide is designed to give you smart ideas and tips that business owners, accounting managers, consultants, and software publishers have shared with us over the years. These guidelines should prove useful as you make your own choices about business software.

### Getting Started

The first step to implementing a new accounting system is to evaluate your company's readiness for change. Before you begin looking at new features and setting fast-track timelines, take time to set realistic goals and build momentum. Pre-production planning is the key to success.

#### 1. Change before you have to.

By the time you realize that your current systems are inadequate, you will already be losing money to reduced productivity, lost opportunities, and inferior data. Don't wait until that happens. If you are receiving the warning signs that your system can't keep up: data frustration; slow turn-around; and time consuming manual processes, begin your needs analysis now. Many professional systems analysts use the steps below. Keep them in mind as you evaluate your system needs.

### How to Create an Accounting System Needs Analysis

- Clarify all the accounting modules your department currently uses and requires. Identify all the information that flows through the accounting system.
- Determine the information - sharing requirements between the Accounting system and other departments.
- Define all categories of accounting transactions.

- Calculate the total number of transactions of each type for a typical accounting period.
- Identify all of the different types of reports used by your department.
- Define your specific data retrieval and reporting requirements.
- Specify your custom reporting requirements.
- Determine how many users will have administrative access to the system.
- Ascertain the level of accounting and computer experience of potential system users.

#### 2. Accept the fact that improvements cost money.

Implementing new accounting software will require an investment of time and money. However, the hidden costs of antiquated systems are slowing your productivity and softening your competitive edge. Remember that the right system will pay for itself with process improvements and better data for decision making. Many businesses are choosing more modern, automated systems for faster processing of accounting transactions, easier retrieval of information, and better formatting of reports. Keep these benefits in mind when considering your return on investment.

#### 3. Don't ignore hard to quantify benefits.

A new system will deliver broad improvements whose overall impact may be difficult to calculate with precision. Consider all the benefits of more reliable and faster access to data. Think about how much it's worth to your company to improve strategic planning. How much will it cost you if your next audit doesn't stand up to scrutiny? How will your company's reputation improve if your new system gives your customers better, faster and more professional service?

#### 4. Compromise is a good thing.

Your final choice of software probably won't satisfy everyone, but through clear communication and patient education, most people will recognize that the decisions being made are fair and reasonable. Plan to spend more time than you'd like handling objections, especially in the early phases of the project. Plus, have a strategy for fine-tuning the system once it's installed. Count on a new system to satisfy about 90% of your needs and wants, and figure out how you are going to deal with the remaining 10%. You may need to consider some staffing changes or a revision of your policies and procedures.

## Setting Objectives

People who buy accounting software usually spend most of their time evaluating features. However, it is more important to spend that time evaluating your business. The more you know about the problems you expect the new system to solve, the better informed your final choice will be. Identify the places within your accounting cycle where you experience the biggest productivity losses and highest error rates. Determine how inaccuracies are affecting your business. Understand which tasks require automation. Begin by identifying the problems you experienced this year because your existing system wasn't adequate.

### 5. Create a task force.

Financial software affects every department within your organization. One of the easiest ways to insure cooperation is to involve representatives from each department including Sales, Operations and Human Resources. It may appear to slow you down, especially if your old system is failing and you need to hurry the new project along. But in the long run, a task force saves time and hassles, and guarantees that other departments will cooperate during the implementation phase.

### 6. Aim high.

Many people don't aim high enough when they implement a new business solution. Just about any product can deliver operational statements. You should be looking for much more. Think back to last year's planning sessions with your peers. What information could have boosted productivity and profitability? This might include current gross profit by product, customer or sales person, or trends on how customers and products are growing or declining. You may want to use financial ratios to measure your company's performance against your competitors.

	Plan / Control Growth	Reduce Labor Costs	Shorten Billing Cycle	Reduce Inventory	Increase Sales	Control Costs	Manage Cash
General Ledger	X	X				X	
Accounts Receivable	X	X	X	X	X		X
Accounts Payable	X	X				X	X
Purchase Orders	X	X	X	X	X		X
Sales Orders	X	X	X	X	X		X
Inventory	X	X	X	X	X	X	X
Job Cost/ Manufacturing	X	X	X	X		X	
Payroll		X				X	

### 7. Know what's special or unusual about your company.

Your company probably has some unique requirements that can't be changed. Perhaps you need to track products by lot or serial number, or to price product by location? Does your industry have special reporting techniques? Compile any unique requirements into a list for later use.

### 8. Know which features you can't live without.

When you survey your task force, you'll uncover a few system capabilities that are critical to your company such as particular reports or tracking methodologies. Once you discover you're absolutes, put them on your must-have feature list.

### 9. Look for solutions that can easily adapt to your business needs.

In order for a system to meet your business needs, it should mesh with your existing business practices and adapt to technological innovations. Again, ideally you want software that's simple, intuitive and closely matched to how you already do business. Be sure the system can:

- Embrace industry-standard technology quickly and easily.
- Customize to fit the special needs of your business.
- Scale to the changing size of your business.

### **10. Make integration a high priority.**

Tightly integrating your accounting software with your other business management applications can significantly improve your bottom line. Linking all internal functions, as well as linking to customers, suppliers and other external business partners can dramatically reduce lead times and waste throughout the supply chain. You'll streamline operations and gain a competitive edge by integrating your web store, customer relationship management, supply chain, and human resource management applications. When evaluating accounting systems, make sure that it integrates seamlessly with your other systems. Tight integration will save you time, promote greater efficiencies, and add value to your business.

### **11. Manufacturers / Distributors: Evaluate automated shipping and distribution systems.**

Inventory that sits in your warehouse is cash your business could otherwise be using. When considering new accounting software, look for available options to link the system with your warehouse management system. The proper use of integration will pay your organization huge dividends in the form of reduced inventory cycles, more efficient warehouse operations, less paperwork (including the corresponding reduction in input and other errors) and better order accuracy.

### **12. Don't forget about your sales team.**

Study after study indicates that customer satisfaction and loyalty are crucial to the success of your business. Customers are the life-blood of any organization. The better you are able to understand and satisfy customers, the more your business will prosper. Closely linked Customer Relationship Management (CRM) software will allow your organization to increase customer satisfaction. Your sales team will have a much better understanding of customer purchasing habits, both in aggregate and individually. Research which customer management options are available with the accounting software you are considering, and how closely linked they are.

### **13. Take time to research Human Resource management systems.**

As with any integrated system, take time to research HR management systems. Evaluate them like you would accounting software; don't just assume it will meet your needs. Be sure that it meets your company's specific requirements in areas such as integration with federal and state agencies, and online filing of reports and documents. And be sure that it really does integrate and synchronize with payroll, eliminating the need for redundant data entry.

### **14. Be prepared to extend your business to the web.**

Software optimized to leverage future e-business opportunities will deliver a significant strategic advantage. Look for accounting software with strong e-business capabilities, even if e-business functionality is not one of your current requirements. Areas to consider include support for business-to-consumer and business-to-business buying and selling, the ability to empower employees through intranets and browser-based applications and the capability to extend systems through mobile wireless applications. Choosing a software manufacturer dedicated to e-business tools will ensure that your system can grow to match your organization's evolving strategic goals.

### **15. Look for integrated web store systems.**

A web store isn't really efficient if it doesn't integrate with your back office. When shopping for web store creation and management software, look for one that will eliminate manual re-entry of orders received via the web. It should seamlessly integrate with your accounting system without costly customization. Web orders and payments most automatically flow to your accounting system. Changes to customer and inventory information should automatically flow through to the web store, and you should be able to process orders in real-time or in batch mode.

### **Selecting the Right System**

Understanding your business's information needs is the first step to selecting the appropriate accounting software. However, there are many competing products on the market that promise similar results. You can end up mired in the feature lists and still be uncertain of your final selection. Here are some tips for choosing wisely.

## **16. Choose software before hardware.**

You're probably going to need some additional hardware to implement the new system. But since system requirements are generally determined by software, you should choose your software first, and then buy the hardware recommended by the software manufacturer or your consultant.

## **17. Start with the big picture.**

Don't dive into details at the beginning of your selection process. First decide which key characteristics the system must have. Eliminate any packages that don't comply with your fundamental requirements and you'll narrow the field significantly. There's no point in having a 200 page Request for Proposal (RFP) if 10 questions will shrink the field from 50 possible vendors to 5.

## **18. Don't underestimate the importance of system architecture.**

You'll want your business management software to have the capability to grow and change with your company. Most accounting software companies have various families of products geared toward specific sizes of customers. A key question to ask is whether or not the products are built on unified system architecture and if they have a built-in upgrade path from one product to the next. If the family of products has been developed on the same architecture, future upgrades from product to product and subsequent data exchange will integrate much more smoothly.

## **19. Make sure your business management software can be customized.**

No single accounting system is right for everyone. Many software packages give you useful modification features that let you change reports or screen formats. For even more control over your system, look for software that allows you customize it to fit your requirements. This will ensure that your new software will meet your needs no matter how your business changes.

## **20. Look for open architecture.**

Finding a system that can adapt to the specific needs of your company is essential. Some packages offer open architecture, which allows you to easily add on additional features and adapt to new IT paradigms. Open architecture is especially important if you expect your company to experience growth in the future. If you have a growing

business, one of the most important characteristics of your system is its scalability. Open architecture scalability ensures your system can grow along with your company.

## **21. Look for software vendors that invest in research and development.**

A good company invests heavily in engineering and develops new product features and enhancements regularly. These companies stay abreast of new technologies and make sure their customers do too. A good software manufacturer will provide frequent upgrades at reasonable prices.

## **22. Explore what support will be available to you.**

Find out what technical support each manufacturer makes available to its customers. What days and times are technical support specialists available? What costs, if any, are associated with various levels of support? Does the manufacturer provide classroom, self-study, or web-based training programs? How frequently does the manufacturer keep in contact with customers regarding product announcements, upgrades, etc.? You will need assistance getting the most out of your software and the best manufacturers will provide this for you.

## **23. Documentation reflects software quality.**

You rarely find excellent documentation with poor software. Clear, accurate, and useful documentation takes time to create and indicates a long-term commitment to users.

## **24. Check out the software publisher.**

Study the makers of the software. Find out how long the company has been in business, what their long term prospects are, and what kind of customer support, upgrade protection, and technical support they provide.

## **25. Popular products are popular for a reason.**

Just because a software product is popular doesn't mean it's right for you. But if a company has lots of users, they're probably doing something right. A large installed base is like an insurance policy for users. Choose a product that has stood the test of time, satisfied companies similar to yours, and delivered good value.

## **26. Evaluate the software by what it can't do.**

Software product limitations are often much more revealing than feature list comparisons. Find out the maximum number of customers, vendors and inventory items allowed. Ask how many line items a single invoice or sales order can handle, and find out the maximum number of users that can work with an application at the same time.

## **27. Use mistakes as your acid test.**

People make mistakes. If the software handles errors intelligently, that's a sign of good design. Some of the most widely promoted accounting systems do not allow you to correct an error in a purchase order without canceling it entirely and then re-entering it from scratch. Look for software systems that test for errors, such as duplicate customers and vendors, incorrect item numbers, and unreasonable amounts and dates. The system should also flag unusually high quantities or unit prices and offer valid alternatives.

## **28. Evaluate the learning curve.**

Intelligently designed software is easy to learn. An intuitive interface will shorten training times and facilitate the conversion. Look for input fields in consistent and expected locations and screen design similarities among all modules. Be sure that the software comes with effective learning tools, classes, and demonstrations to speed the learning process. Don't compromise when it comes to end user support.

## **29. Understand the difference between standard functions and extras.**

Some software organizations provide basic functions but then make you purchase the various extras that come standard in other software packages. An extreme example would be to buy a car, and then discover that you must pay additional for the engine, steering wheel, and tires. Confirm what is included in the core pricing.

## **30. Go paperless.**

Today's most effective software applications utilize less paperwork. As you explore accounting and other software systems, focus on how much paper you can eliminate during order entry, accounting input, shipping and handling, and other areas. The more paperwork you can eliminate, the more efficient and error-free your organization will become. Consider systems that support document attachments and have built-in data backup and storage.

## **Working with a Consultant**

It's possible that your organization has the internal staff to successfully implement your new accounting system. It's more likely, however, that you don't have the resources or expertise to devote to analyzing, purchasing, installing, and maintaining a system.

A software consultant can help considerably. They have been through the purchasing and implementation process many times. For a reasonable fee, they can save you significant time and money by helping you evaluate, select, and get the most out of your new system.

## **31. Conduct an interview.**

Arrange a meeting with the consultant and your task force. The focus of the interview should be how long the process will take, what applications the vendor can provide, and how he or she can help you benefit from them - not on details of specific software or systems.

## **32. Ask for references.**

Has the consultant installed accounting software for companies similar to yours? Ask about company size, number of employees, and nature of the business. Ask for contact names and phone numbers, then call to learn as much as possible about the customers' working relationship with the reseller.

## **33. Listening skills are as important as product skills.**

If the consultant doesn't listen effectively, chances are you won't be satisfied with the final outcome. During your first interaction, pay attention to whether the consultant seems more interested in "pushing" a particular product, or if they are interested in analyzing your needs. Avoid people who try to impress you with jargon and who immediately start talking about features of equipment and programs.

## **34. Find a reseller you can work with.**

The consultant will be a virtual member of your company for weeks. You may even end up with a long-term relationship if they help change and extend your system as your company grows. Choose a consultant who comfortably fits your company's philosophy and culture.

## **35. Avoid RFP's.**

Contrary to what your colleagues may tell you, creating and sending out an RFP is not the most effective or efficient way to find the best software system. The

process of creating an RFP, sending it out, waiting for proposals, and reviewing them requires substantial internal time and therefore, expense. You can achieve the same results in days by simply making a list of the ten to fifteen features you must have, calling potential vendors on the phone, and asking if their system can provide them. You can narrow your list down to the three finalists you plan to interview just by spending a few hours on the phone.

### **36. Don't sit for product demos too early.**

Salespeople sometimes urge you to sit through a product demonstration before you're ready; it's easy to get caught up in bells and whistles and forget about your objectives and your must have list. Don't watch a demo unless you're armed with your list of requirements and can control the process. Help your team understand the need for clear objectives and priorities before they spend their time looking at demos. Also, when the time comes to sit for a demo, have the consultant present their features in the order of your choosing, not theirs. This gives you the ability to ensure that the features you need are consistently presented by each vendor you review.

### **37. Require cost forecast revisions.**

Obviously, you'll need to forecast the cost of implementation as accurately as possible. Avoid surprises - get a detailed breakdown of costs and fees before and during the requirements phase. As objectives change, make sure you request revised cost estimates.

## **About Silverware**

With over 20 years of experience, Silverware designs, implements and supports customized business management solutions for mid-sized businesses. Staffed by seasoned professionals with expertise in accounting, software engineering and business processes, we deliver "no compromise" solutions that support the way you work, giving you powerful tools to tackle today's problems and manage tomorrow's growth.

Far too often, companies have to adapt the way they do business in order to work with the business management software they buy. At Silverware, we know that technology's real value comes when it adapts to the way you work. We start with packaged applications from leading vendors that utilize industry-standard architecture and then add modifications and customizations necessary to drive your business model. We utilize development tools and platforms that minimize source code changes making the solution easy to support and upgrade.

Our approach to solving your business problems includes accounting for your company's business culture, staff level and experience, current software, anticipated growth and changing market conditions. We then introduce technology that your people are able to use to improve performance and generate a return on your software investment. We see business software solutions on a continuum and build in flexibility to allow our solutions to adapt to your changing needs.

At Silverware, we combine industry expertise, practical experience, expert software engineering, and training to deliver solutions for your unique challenges and opportunities. We want to help you succeed now and well into the future.



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