

## **HAVE YOU (OR YOUR CLIENTS) OUTGROWN PEACHTREE OR QUICKBOOKS?**

By: Lissa Johnsen, CPA.CITP, CMC

How many times have you felt that your accounting software does not meet your needs? If you are like most software users, the answer is plenty. So, how do you know if you have actually outgrown your existing accounting software?

There are a number of symptoms that indicate your accounting system no longer meets your needs. They include:

**Your current system does not provide needed functionality.** When you discover you need to perform particular functions that your current software does not offer, you may be outgrowing the system. If the software doesn't offer sophisticated features like multi-company consolidation, manufacturing, multiple warehouses, or other advanced distribution features your business is demanding, it may be time for a change. It is important though to investigate the true requirements for the functionality, as they may just be items on your wish list (nice to have), as opposed to definitive business requirements. In addition, be sure to investigate whether or not the added functionality is included in the next upgrade of your current solution, available from a 3<sup>rd</sup> party, or could be created through a link to an outside software package such as Microsoft Access.

**The system can't generate required reports.** As accounting systems have become more sophisticated and robust, often systems contain similar features and functions. However, a common concern of businesses is how to get data out of the system in a meaningful way. While many mid-range systems come with packages like Crystal Reports and FRx for financial reporting, most entry-level systems have less flexibility in data manipulation and reporting. However, before you give up on these packages, investigate third party reporting options, visit the software publisher's web site and talk to authorized consultants for the package. With the advent of ODBC it is likely that the data can be exported to generate the required reports.

**You have a need for remote access or have multiple locations.** As businesses grow and expand one of the most common needs is for remote user access. These remote users might be in distributed offices, spend significant time traveling, or may be telecommuters. You may also find yourself with employees that would like to be able to work from home in the evening as well. Remote access programs (like PC Anywhere) work fine for some applications or circumstances, but do not work particularly well for accounting software. If remote users are a requirement for your system, it is very likely that you will need to purchase an accounting package that offers this feature or that is better supported using some of the remote access tools like Terminal Services or Citrix.

**You require more users than the system supports.** Many entry-level packages have a limited number of users that can be using the system at the same time. In this instance, it is likely that there is no other choice but to switch accounting software. However, before buying another software package, be sure that the old software is actively being used by at least the same number of users who will be using the new system.

**There is a need for better performance or stability.** Many entry-level packages do not perform well with a large number of users. In addition, with a larger number of users, you are likely to have larger

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volumes of data. In entry-level solutions, often the more data you have, the greater chance you have for lethargic system performance or data corruption. The cost of repairing corrupted data, or in the worst case scenario, having to re-enter your data, can sometimes provide enough of a return or rationalize the purchase of a new mid-range accounting software solution.

**You have a requirement for system customization.** Many users want to be able to customize the system without making modifications to the source code. The ability to customize data entry screens by hiding fields, adding custom fields, and/or changing colors or fonts are typical customizations available in mid-range software. Customizations like these greatly expand the usability and functionality of a system. Again, many entry-level packages do not offer this capability; so moving to a mid-range package may be necessary if this is an important requirement for your business. Another customization that could add value is the ability to add hooks to outside programs that you can utilize from within your accounting solution.

**E-commerce is desired or required.** It's all about the Internet! Many end-users are outgrowing their entry-level systems because they want to be able to offer e-commerce capabilities on their web sites. This is a difficult area to diagnose because of the explosiveness of the web and the varying cost of solutions. Many entry-level packages today offer e-commerce capabilities as part of their solution. These solutions may offer some customization capabilities, but are typically limited. However, most importantly they integrate with accounting packages, eliminating the rip and re-enter method that many small businesses use today. If your company sees a large portion of your business migrating to the web, you will most likely need one of two solutions. The first solution would be a more robust and customizable e-commerce solution that would integrate to a more advanced accounting package. The other solution would be to integrate an advanced e-commerce web-site package to your existing accounting software. In either case, call in a professional for assistance!

**A need to integrate with 3<sup>rd</sup> Party Solutions or Industry applications has arisen.** Many companies discover they need to integrate to a 3<sup>rd</sup> party or industry specific software application. A specialized modular solution can often be more desirable, and less expensive than buying a vertical industry specific integrated package that includes accounting software or having a custom software application written. Many industries have specific and unique billing practices that are only met through vertical applications. For example, service dispatchers, route accounting, property management companies, and custom manufacturers all have unique software needs. By integrating these solutions to an existing accounting software package, the user gets the best of both worlds. However, many of these industry specific packages integrate with only one or two of the leading accounting packages in each market segment, so this may still require a system change.

**In conclusion,** there are many other reasons why users may want to change accounting packages, including new employees that are familiar with other packages, dissatisfaction with your current software publisher or support company, etc. It is important that when you are investigating other options, you understand the real reasons behind your desire to change accounting packages. Sometimes by understanding these needs, you can find a solution that is less expensive than changing accounting packages. In other situations, you may find that the only choice is to investigate a new accounting software package that will better meet your requirements.

QuickBooks and Peachtree are excellent products for small companies, but you may find that you need a more powerful solution to handle your expanding data volumes, business complexity and/or product lines. As your company continues to grow, you eventually need to consider moving to a more powerful solution. My company often helps companies review their needs to determine if it is time to make such a move. We believe that it takes specialized knowledge to properly perform such an analysis and it is

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for this reason our team is comprised of Certified Public Accountants, Certified Information Technology Professionals and Certified Human Resources/Payroll professionals. This type of team approach creates an ability to work in concert with client teams, and as applicable related accounting firms, to understand unique accounting, business management and human resource needs. A critical component of this relationship is assisting in determining when current accounting systems have been outgrown and when is the most beneficial time to take a step-up to the next level solution.

I encourage you to evaluate your business situation now in order to learn about your key requirements and gain visibility to indicators that will show you when it is time for your company to consider an upgrade. If you evaluate your situation now, then you will be able to recognize when you have outgrown your current solution before you find yourself in a critical situation. We have seen many companies wait too long and then need to replace their current entry level accounting solution very hastily, not allowing time to properly analyze needs before making a business management software selection. So...start your research and planning now – it is never too soon to verify that you are on the right level solution and to create a list of “things to look out for”. This review process will allow you to be ready when it is time to start the search for the next level solution.

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**About the Author:** Lissa Eilers Johnsen, CMC, CITP.CPA is the founder and President/CEO of Business Technology Solutions. Lissa has over eighteen years of experience implementing business, accounting and human resources solutions. Her professional focus is helping her clients enhance their business processes through the implementation of technology solutions, making them more efficient and profitable as a result.

Lissa has a B.S. in Accounting from Appalachian State University with a concentration in Information Systems graduating with honors. Lissa is a published author, writing articles on accounting and technology for national and regional trade publications. In addition, she is a frequent speaker for and volunteers with a number of accounting and technology membership organizations including the Information Technology Alliance (ITA), American Institute of CPAs (AICPA), Society for Human Resource Manager (SHRM), Best Software Insights conference, Carolina Visions Conference and the North Carolina Association of CPAs.

### **Business Awards:**

- *Accounting Technology* - Technology Pacesetter 2002, 2003, 2004
- Featured on March 2003 cover of national magazine, *Accounting Technology*
- *Triangle Business Journal* - 40 under 40 award for 40 successful people under 40 years old in NC Triangle area – 2004