

thinking business

How to evaluate and select the best
accounting software for your business

Find out more about the questions to ask and the
benefits of selecting the right software.

sage

Introduction

Business and accounting software has changed significantly over the last 10 years. There were over 800 business and accounting systems in the UK 10 years ago according to BASDA (Business Application Software Developers' Association). Today there are less than 100 that are being constantly updated.

Organisations no longer buy bespoke accounting software, they use established and proven packaged applications.

Today, modern business systems are very flexible and therefore evaluating them against specific functional requirements is a long and cumbersome process. It is a waste of time sending a detailed specification of requirements to modern application developers as the answer to most requirements will be 'yes'. Modern applications are so flexible; they can be configured to meet most requirements.

So if many systems will give you the outline functional requirements, what should small business owners look for when selecting the right accounting software?





Vendor first, product second

First and foremost you should look to chose the vendor first and the product second. Because it's not products that create the best accounting solutions – it's experience. Experience gained over many years of understanding UK businesses – from legislation to economics, and turning that knowledge into products, services and support that fit UK businesses needs right now. And this relationship should be viewed as an ongoing partnership that can do much more than just help with managing your finances. It needs to give you business and financial advice to support your business and give you the confidence and breathing space to concentrate on what's most important to you; to bring your business ideas to life and help you see where you could take your business next.

So if a list of functional requirements is not your starting point, what is? Well first of all let's look at what is currently 'top of mind' for finance departments.

Reporting and analysis is currently very much 'top of mind'

As we experience a prolonged period of economic uncertainty, the need for financial information to enable better management decision making becomes even more pressing.

So it's not surprising that reporting and analysis is currently very much 'top of mind' for the finance department. Improving reporting systems and providing the necessary management information to help direct the business through difficult times represents a continual challenge.

Streamlining and improving the organisation's business processes are also key areas of focus. This needs integration with other core systems and the ability to process both internal and external documents using technologies such as document management and workflow.



Ongoing need to update business processes and procedures

According to a recent National Computing Centre (NCC) survey, the main business driver for the finance department – mentioned by 76% of respondents – is the ongoing need to update business processes and procedures.

This is followed by the necessity to make cost savings (55%), to enhance customer-focused processes (48%) and improve management information systems (38%). Over the next two years, respondents saw these four areas as remaining the major driving forces for financial systems.

The principal motivation for changing or upgrading financial software – given by 62% of respondents – is the ability to adapt to changes in the company's business processes and procedures.

Next, cited by 45% of respondents, is the need to provide greater integration with other operational systems. A further 38% say their system no longer meets all their business needs, while 34% want to take advantage of new functionality.

If you would like more information about this survey, please contact info@evaluationcentre.com

There is clearly a business need to change or upgrade financial systems, but how can businesses justify changing or upgrading software right now?



Invest now, despite the current business climate

As the ‘credit crunch’ continues to unfold, many businesses retreat into ‘saving mode’, trying to reduce costs as much as possible. But others who have been through previous recessions will know that investing now in tools that can make substantial bottom line savings and make them more profitable, is sound business practice.

Rather than get caught up in the doom and gloom of the current economic situation it is more proactive for businesses to see investment in the latest products as an opportunity rather than a cost, and allow the technology to be viewed as a tool to ensure your business remains healthy. A good accounting system is important for small businesses in the good times in order to manage your business effectively, but it definitely is a ‘must-have’ in bad times since it can provide the competitive advantage necessary to improve business processes and reduce costs.

What do businesses do in a recession? They do four things:

- Scrutinize every purchase with a business case for why it is needed now rather than in the future
- Make decisions by consensus rather than individually
- Become more risk adverse and do business with known vendors they trust
- Require a positive Return on Investment (ROI) – either to save costs or to make more profits, or both

Buying the right accounts software will tick all of these boxes. Doing it now will help your business gain a competitive advantage. Since there has been a consolidation in the marketplace, accounts software is predominantly sold by large, stable business software providers with trusted brands. These providers produce accounts software that saves you time as well as delivering a quick ROI, allowing you to get on with what you do best – running your business.

Businesses don’t stop spending in a recession, they are just more careful and justify everything. Business intelligence gained through the best accounting software should be seen as a ‘must-have’ purchase to keep your business healthy.

So if changing or upgrading accounting software now is the right thing to do for the health of the business, what should you look for when selecting the right software?

Business-wide questions

You need to ask more business-wide questions when looking to change or upgrade financial systems. Questions around support, pedigree, innovation and communities will provide you with the confidence to select a supplier and product that becomes a long-term partner to your business that will add real value.

Here are some questions you should ask of your potential suppliers. Together with answers from Sage; the UK's most popular, widely used and respected accounts software company.

Does the software have a simple, easy to use interface?

Software needs to be intuitive and deliver a great user experience for all types of user, making everyone more productive. Sage 50 Accounts 2010 has been developed to provide an even simpler user experience, with changes to navigation, layouts and data available in specific views. This includes:

- More intuitive and simpler payment processes
- Availability of sorts/filters, editable recurring entries and extra information on display
- More control in Activity screens over how much detail you want to see with the ability to 'fix' viewing preferences
- Changes to user interface in Report selection updated in line with other software in the Sage 50 family

Will you get powerful 'out-of-the-box' functionality, but also flexibility to deliver unique needs?

Software needs to have a strong core framework of accounting functionality that delivers over 80% of business requirements without the need for development work, but can be configured to deliver the remaining 20% that is specific to your particular processes, for now and the future.

Sage 50 Accounts 2010 is very feature rich and supported by more than 900 Sage Developers who offer a wide range of integrated software solutions – for businesses in many industries (from memberships to firms in the plant hire, service management and motor trades) and to manage common business activities (from bar coding, credit control and expense claims).

Will the software be able to deliver benefits quickly to maintain momentum with your people and provide a rapid return on your investment (ROI)?

Software needs to be easy to learn, allowing your staff to be productive very quickly. Migration of data from earlier versions or other accounting software should be simple and straightforward. And training should be appropriate to your needs.

Sage 50 Accounts 2010 training is provided at 11 locations across the UK or you can train through online or CD based self-study. And you can then take a certification exam to show you how good you are at using Sage 50 Accounts.



Does the vendor fully understand UK legislation/practices?

Software should be developed through close links with key authorities such as HM Revenue & Customs (HMRC), the Institute of Chartered Accountants for England and Wales (ICAEW), and the Business Application Software Developers' Association (BASDA). But more importantly, additional services and support need to demonstrate an understanding of business management, trends, and pressures.

Sage 50 Accounts 2010 is software developed from nearly 30 years of UK accounting knowledge and experience. And it's exclusively written for UK businesses.

Is it flexible enough to integrate seamlessly with the other software you use?

Using bespoke or best-of-breed software that works independently of each other means you have to spend time importing data or entering it manually. Integration of all your business software will save time and reduce errors.

Sage 50 Accounts 2010 has powerful integration with the software you use every day such as Microsoft® Office®, and the latest release has improved integration with other Sage products and services, particularly ACT! and Sage Pay (formerly Protx).

Is the software recommended by, and linked to accounts production software used by accountants?

Businesses rely heavily on accountants for accounting services, management accounting, and increasingly for general business advice and guidance. You should therefore ask them for a recommendation on what is the best software for your business needs.

Sage 50 Accounts 2010 is recommended by many accountants as it integrates with the accounts production software they use to create your final accounts. This integration saves both you and your accountant time and reduces errors.

Does the vendor actively encourage feedback from customers for future releases?

Software development needs to be in tune with user requirements, gained from continual feedback. The more customers a vendor has, the more comprehensive the quality and quantity of suggestions for future releases will be.

Sage 50 Accounts 2010 has been developed based significantly on feedback from the 200,000 UK customers of Sage 50 Accounts - requests compiled through customer wish lists, calls to their 300 UK-based technical support advisors, and from customer focus groups. With more customers than any other accounting software provider, Sage are certain that their software is being developed with UK SMEs in mind. Developed by you, for you.

Does it give you the reassurance that it will still be the right product for you in the future?

You need to know that as your business needs change, your chosen accounting software will grow with you, negating the need to retrain your users and migrate data onto a new system.

Sage 50 Accounts 2010 is part of a family of software that makes it easy for you to add tools such as project costing, cheque printing, sales order processing or stock allocation. You can also upgrade to Sage 200 if you have more complex business processes or you need a SQL relational database for scalability (typically up to 50 users).

Does the vendor have a large installed base of customers in your market?

Software needs to provide you with the confidence that it will deliver what it promises, with case studies in your market that provide evidence of the benefits you would get by implementing it.

Sage 50 Accounts is used by over 200,000 businesses in the UK and by every type and size of business from manufacturing and construction to business services and retail.

Does it have the backing of a financially stable company?

You want to know that your software provider will be with you for the long term and that significant amounts of money are being invested to continually developing the software.

Sage 50 Accounts 2010 was developed by Sage, a FTSE 100 company entirely focused on business software, with 14,000 employees and revenue of £1295m and pre-tax profit of £273m in 2008.



Is the vendor committed to supporting its customers directly and through a network of business partners, accountants and developers?

Software should be available through a wide range of communities providing installation, customisation, support and training at a local level.

Sage 50 Accounts 2010 was developed by Sage. They have direct coverage in 26 countries and a global network of over 30,000 Sage-certified business partners and accountants providing unparalleled business software and services expertise.

Is the quality of technical support exceptional?

More than two-thirds of people stop buying from businesses because of poor customer service. The ability of the vendor to understand your business and be able to deliver that support when and where you need it (by phone, email, and web), is paramount.

Sage 50 Accounts 2010 is supported by over 300 UK-based technical experts. They are at the end of the phone to offer friendly, approachable and knowledgeable advice on how to use your Sage software. Sage's award-winning support team also provide advice on how to get the best out of your Sage software, to help build a better business. In addition, you have access to the 'Ask Sage' online support service. You'll find over 10,000 jargon-free answers to technical software questions, such as 'How do I manually record opening and closing stock?'.

Do you get comprehensive business advice as well?

Your software provider should be your one-stop-shop for guidance and advice on any business advice, not just technical support to get your software installed and working correctly. That requires a true understanding of where UK businesses are right now – understanding things like redundancies, cost reduction, online submissions, diversification and selling globally.

Sage 50 Accounts 2010 users will have access to a vast range of business best practice articles on HR, exporting, business planning, data protection and more. This is supplemented by help from Sage Business Partners and Accountants who are experts in advising in all aspects of business management.

How does the vendor demonstrate innovation and agility?

Software needs to constantly keep pace with changing legislation, new technology and the economy.

Sage 50 Accounts 2010 has some great new features, including the ability for Sage Pay customers to generate electronic invoices that contain an embedded 'pay now' button. Recipients of the invoice can then settle the amount online with a card payment via Sage Pay.

Is the software available via multiple purchase methods?

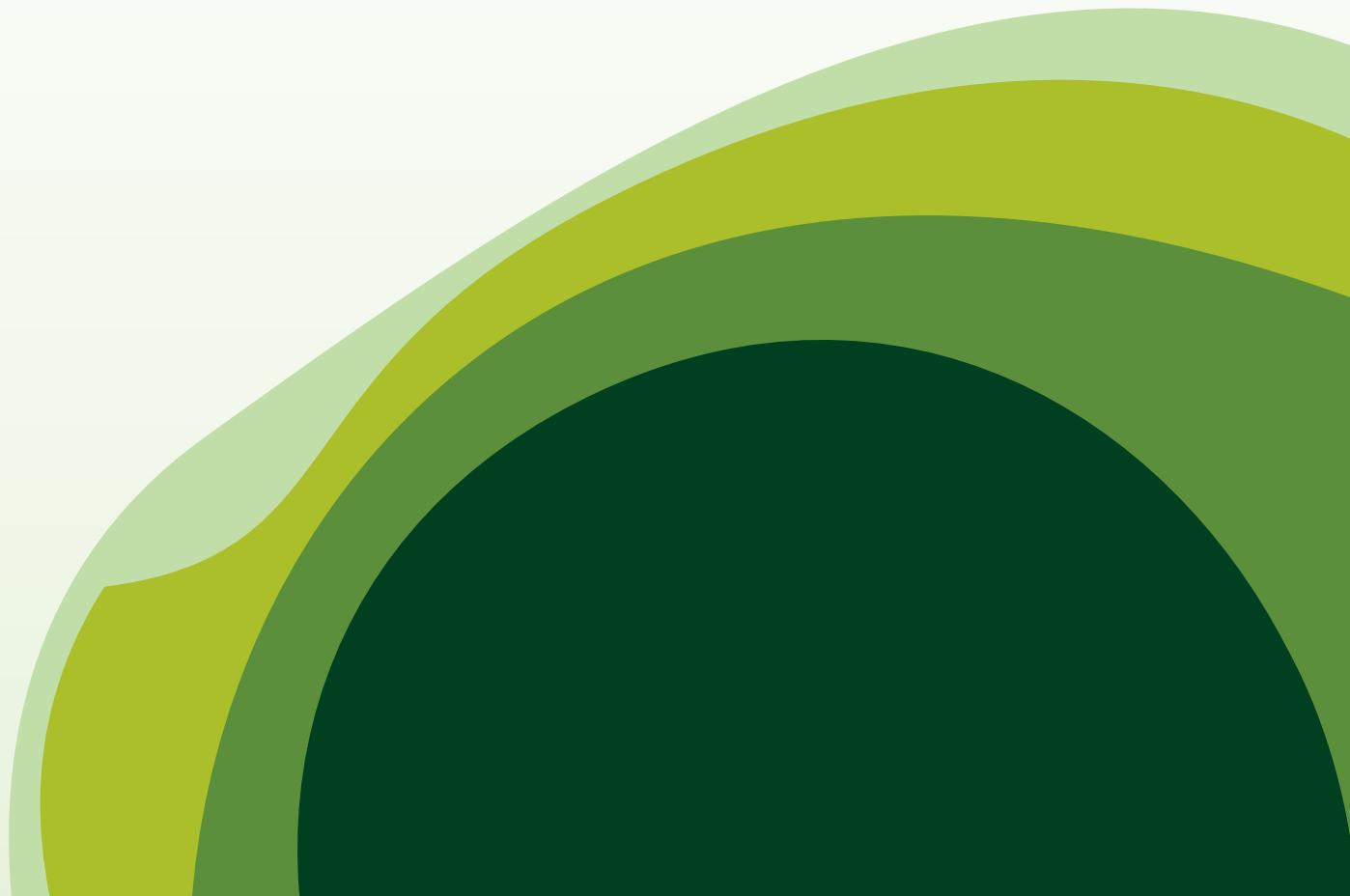
Buying habits have changed significantly over the last few years and good providers make software available from a wide range of sources to suit customer choice.

Sage 50 Accounts 2010 is available to purchase from Sage directly (either by phone or the online Sage Store) as boxed product or download only, from Business Partners and Accountants across the UK or through retail stores such as PC World.

Do you get additional services such as stationery?

Software that has been designed and tested to be compatible with a range of stationery will ensure your business looks the part – after all, invoices that stand out can help improve cash flow.

Sage 50 Accounts 2010 works with a wide range of standard and branded invoices, credit notes and cheques. It's available in a range of pack sizes, and compatible with both laser and continuous printers.



Summary

SMEs need to continually appraise the performance of their accounting software and the support provided by the supplier in order to remain competitive and to enable better management decision-making. This is especially important in these uncertain economic times. Looking at the functional specification of the software is less important than the resources of the vendor to support your business with expert advice. And, however difficult it may be to justify IT expenditure right now, investing in the latest accounting software will save you time and money and ultimately keep your business healthy.

Why Sage?

Sage is a leading supplier of business management software and services to 5.8 million customers worldwide. From small start-ups to larger organisations, Sage make it easier for companies to manage their finances, people and customers. Their purpose is to help customers run their businesses more effectively, helping them to gain greater insight into their business activities and providing them with lasting benefits by automating their business processes.

With global strength and local focus, their direct coverage in 26 countries and global network of over 30,000 Sage-certified business partners and accountants provides unparalleled business software and services expertise.

Sage have been designing accountancy software since 1981 and the Sage brand still acts as a by-word for accounting software.

For further information about Sage either call **0800 44 77 77 (new customers)**, or **0800 33 66 33 (existing customers)**, or visit sage.co.uk or sagehello.co.uk

Why Sage 50 Accounts 2010?

Sage 50 Accounts is the best-selling accounting software for small and growing businesses, helping you manage your customers and suppliers and day-to-day finances, including VAT returns, stock control, invoicing and year end accounts.

The 2010 release has something for everyone. Sage have focused on improving those areas of the software that you use the most everyday to save you as much time as possible and provide clearer insights into business performance. These are the features requested by thousands of customers who use their software every day.

For further information about Sage 50 Accounts 2010 either call **0800 44 77 77 (new customers)**, or **0800 33 66 33 (existing customers)** or visit sage.co.uk/thinkingbusiness



For further information about Sage 50 Accounts 2010

New customers call
0800 44 77 77

Existing customers call
0800 33 66 33

Or visit
sage.co.uk/thinkingbusiness