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Business Solutions

Inventory Management & Accounting Software eBook *A collection of industry-related White Papers*

- *Changing Deployment Methods: Software-as-a-Service*
- *Better Inventory Management Through Lot Tracking*
- *Business Intelligence for the SME*
- *Save Time & Money When Buying Software*
- *Integrity & Reliability = Trust Worthy Accounting*
- *Build a Truly Profitable Business by Streamlining Your Landed Costs*

Changing deployment methods: Software as a Service (SaaS)

A whitepaper comparing and contrasting Hosted (SaaS) and On-Premises software deployment methods

By

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Executive Summary

After years of being merely a buzz term, SaaS (Software as a Service), has long since become a viable option as a software solution. As with most cutting edge technologies, SaaS threatens to change the competitive landscape of software systems. It is important for business owners to keep up to speed with changes in these systems that they rely on for their continued operations.

As globalization increases, so too does the need for remotely accessible systems and the ability to accomplish tasks on-the-go. SaaS stands as an enabling technology in a world where businesses continue to decentralize their systems and become more transactional in nature. These pressures combined have created a sudden push for systems that are quick to deploy, low-maintenance and easily accessible.

This whitepaper stands to examine SaaS as a viable alternative to on-premises deployment methods and provide managers with a summary of each method in order to serve as a starting point for making decisions. In this whitepaper the SaaS model will be compared and contrasted with the on-premises method of deployment and typical pricing models explored.

SaaS is a great option for many businesses; however, just like everything else, it has its limitations and drawbacks as well as its advantages.

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What is a Hosted (SaaS) solution?

Cloud computing and SaaS and “hosted” have come to be used interchangeably over time. For the duration of this whitepaper, SaaS will be used to refer to the concept of *both* software-as-a-service and cloud computing that provided by a host organization (hosted). It will be used to describe a system whereby a client accesses the system off-premises via the internet and pays an on-going subscription (or rental) fee (see [Appendix I](#) for full description of differences).

Traditionally business software has been hosted in the client’s business – typically referred to as “in-house” or “on-premises” – on a client-owned server. The software is then integrated with the client’s current software and various systems to allow for the flow of information from one system to another. SaaS, however, is different.

SaaS is an acronym for Software-as-a-Service and is used to describe a relatively new means of accessing software applications. The name is derived from the nature of the deployment method in which a host organization allows clients access to its software as a service. Despite being around for more than 10 years, SaaS is seen as a relatively new technology in the business environment which has exploded in popularity in recent years.

With SaaS, the software is no longer installed locally; it is instead hosted by the service organization/software provider. This means that the client organization need not install or run a server. Instead, information is sent through an interface to the host organization where it is processed by host-run software and sent back.

SaaS was originally used primarily as a deployment method for sales force automation and Customer Relationship Management but is now deployed for a variety of business functions including:

- Accounting
- Email access
- Enterprise Resource Planning
- Document management
- Service desk management

SaaS may be deployed via the web, or via the internet through a thin client. The primary characteristic of SaaS is that the software does not reside on the client’s premises meaning, inherently, that the software is accessed remotely and therefore can be accessed easily from anywhere. On-premises installations can also allow for remote access, however.

Pricing Models

On-premises system implementations typically require a substantial up-front investment in terms of licensing fees as well as hardware and installation services (data migration, employee training etc.) and on-going maintenance fees. Many of these costs must be incurred with SaaS implementations as well; however, generally on-premises solutions require a more significant initial commitment. SaaS typically employs a number of different pricing models in order to lessen the immediate financial burden – although it is important to note that SaaS systems typically cost more in the long run.

1. Licensing

Licensing is the traditional approach for buying business software. This revenue model requires clients to pay a one-time fee to purchase licenses for the software. Licenses are usually purchased in bunches (e.g. 1-5 users, 5-10 users). Typically maintenance fees are charged on a yearly-basis in order to provide funding for software updates and software support. Purchasing licenses may be costly but clients benefit from long-term savings.

2. Pay for use

Many software systems utilize a pay-for-use pricing model whereby clients are charged based on the amount they actually use the system. This can be measured based on the number of users accessing the system in a given period, the duration with which they use the service or even per transaction, event or other action performed within the system

3. Hosting/Subscription Fees

The most common pricing model for SaaS for business applications is a recurring hosting/subscription fee. These fees are typically charged on a monthly basis, although some clients may opt to pay yearly, quarterly or according to some other defined interval. These fees include a maintenance fee component similar to that of licensing.

Unlike On-premises implementations, SaaS pricing models tend to include maintenance and upgrade costs in the SaaS fees which can aid in budgeting for clients as they need only worry about their periodic fee payments. These are not the only costs to consider, however. Other costs that are shared with both approaches include:

- Implementation costs
- Data migration
- Employee training
- Other consulting

There is no right answer when it comes to determining which deployment method is superior or cost-effective. Each method has its benefits as well as its detractors. Below is a table that attempts to summarize the differences between SaaS and On-premises.

Advantages & Disadvantages

Software as a Service

Advantages	Disadvantages
<ul style="list-style-type: none"> • No large upfront cash outlay. • Infrastructure costs pushed to provider • No more worrying about backups. • Painless upgrades • Increases access to expert support (in lieu of an IT department) • Remotely accessible • Improved security and reliability • Possibly increased uptime • Immediate or quick access to a broad range of applications 	<ul style="list-style-type: none"> • Reduced control of systems • Data stored outside the organization • Reduced customizability • Increased on-going costs • Internet connection required at all times • Slower performance (WAN vs. LAN) • May be difficult to integrate with 3rd party applications • Client does not own the software - leasing

On-premises

Advantages	Disadvantages
<ul style="list-style-type: none"> • Data is stored inside the organization • Increased customization and control of systems • No monthly subscription fees • No internet connection required • Hardware can be shared between other internal systems • Quicker performance (LAN vs. WAN) • Easier to integrate with 3rd party applications and other systems • Client owns the software 	<ul style="list-style-type: none"> • Large initial investment • Hardware upgrades and maintenance required • In-house IT management required • Physical space required • Software upgrades must be handled on the client end



Given the number of advantages and disadvantages for both deployment methods, it is clear to see that there is no obviously superior method. Determining which is best for a particular situation requires evaluating a number of factors including the level of unique business needs, the desire for flexibility and acceptance of risk. For example, a business with limited in-house IT may opt for the hands-off

approach of SaaS as SaaS offers a piece of mind by pushing full responsibility of system maintenance to the host organization. Another factor to be taken into consideration is available cash flow. It is important to determine whether or not it suits one's business to make a significant investment for long-term savings or if it is beneficial to reduce the initial investment at the cost of a larger spend long-term.

Many software vendors only offer one method of deployment whereas others offer both. These vendors can offer assistance in determining the most befitting method to suit your unique business needs. Managers should ensure that they educate themselves in order to make an appropriate decision themselves instead of being pressured into one method or the other from those vendors that only offer one method. Below is a chart that can, at a glance, aid managers in determining an appropriate solution for their business.

How to Choose: An informational chart

	SaaS	On-Premise
Business Processes	Simple or traditional business processes	Complex or unique business processes
Employees	Relatively new employees	Employees have been around for a while
Business model	Stable	Changing
Company size	Small-medium	Medium-large (international)
IT skills	Basic or none	Advanced
IT Infrastructure	Basic or none	Well-established
Integration with other systems	Little need for integration with other systems	Need for integration with other systems
Control	Do not desire control	Desire control

Conclusion

Selecting and implementing a software system to run your organization is not an easy process and neither is the process of selecting a vendor or deployment method. Hopefully this whitepaper has helped identify the many factors that must be considered to help make this process easier. One can be sure that one thing was made clear in this whitepaper: there is no simple answer to which deployment method is best. With SaaS now on the scene, managers are empowered with a choice in how they would like software help improve their business operations.

Appendix

Appendix I: SaaS vs. Cloud Computing

In order to understand the difference between SaaS and cloud computing – each with their own set of principles – they must be reduced to their simplest forms. In doing this it is possible to understand the difference as follows:

- Software-as-a-service refers primarily to the **payment method** of accessing software whereby a client pays a vendor an on-going monthly or yearly fee for access.
- Cloud computing instead, refers primarily to the **physical location** of the software system. With cloud computing the system is physically located off-premises and accessed via the “cloud” (internet).

These terms have, over time, come to be used interchangeably. SaaS, in the context of this whitepaper, is used to refer to the concept of *both* software-as-a-service and cloud computing. It will be used to describe a system whereby a client accesses the system off-premises via the internet and pays an on-going subscription (or rental) fee.

Better Inventory Management: Lot Tracking

A white paper discussing the benefits of Lot tracking
by
Monique Taza
Blue Link Associates Limited
May 27, 2009



Executive Summary

Tracking a product through the distribution chain has become more and more important for businesses. The ability to easily track a batch or lot of an item is a day to day necessity in businesses specially distributors dealing with food and pharmaceutical products where quality control is of a most high importance. As a matter of fact, it is important for any distributor since it has various benefits. It not only allows tracking of an item through the distribution chain but should also provide cost tracking abilities and help deal with crisis of product recalls as well as a simple RMA. Furthermore, with growing globalizations, and open trades, businesses need to be able to comply with various regulations when it comes to traceability.

Regulations for consumer protection or even Agricultural Bioterrorism Protection make it imperative that distributors should have a thorough inventory control. To be able to easily trace the origins of an item and to whom it was sold in a timely fashion in the case of product recall can break or make a company. A great lot tracking software can be the ultimate tool to provide this information with the least down-time.

Many distributors do not track ingredients because of the extra time and expense required since records were kept by hand! Keeping such records is not only cumbersome but prone to human errors. This is where an automated lot tracking system comes as a benefit worth the extra cost and ends up being a money-saver in a very short lapse of time.

Recent food poisoning incidents have focused attention on the need to trace problem ingredients. Although one might think it is especially difficult to track bulk ingredients, which are often stored in quantities, a proper lot tracking software allows something as simple as the assignment of a signature number (Internal Lot number) to each lot of material as it comes in. Another number that is cross-referenced to the suppliers' code such as an External Lot number should also be a basic necessity. After that, material can be tracked as it moves through the warehouse, to production and into finished goods down to the customer. The information tracked can consist of a few elements to many more complex details. It could be related to dates, weights, origins etc. In essence, the software should be flexible and allow the storing, accessing and retrieval of any sort of relevant information in an easy, efficient, least costly method.

Furthermore, the profit of an item increases when we can track it automatically and minimize the cost of manual work (including paperwork) used previously to track the item. Not only this, but accurate costing can best be achieved with proper lot tracking that traces the various ingredients as they move from raw to FG items while in your company/warehouse along with the cost associated at each phase of the FG item process.

Automated Lot tracking is currently the solution. Aside from the benefit of knowing where the product or ingredients came from, it can also trace forward the final finished good all the way through the distribution chain to the customer of the sales order.

Lot tracking does not have to be a burden if the company has the right tools and procedures.

This white paper focuses on the importance of product or lot tracking:

- What is lot tracking

- Benefits
- How to track products from their origins (vendors) to their target (customers)
- How a reliable ERP software can help deal with issues such as product recalls and avoid loss of business revenue and legal ramifications.
- What to look for in a software when it comes to lot tracking specially in how it integrates with Purchase orders, inventory control and Order Entry and ability to upgrade with newer technology and methodology.

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What is a lot tracking system

In the simplest terms, a lot tracking system is a system where various information related to particular lots or batches of any product can be recorded. The lot or batch can be for one or many units produced or purchased on the same or various days, possibly having a production and/or expiry date along with other possible required information. The system can hold little information or various multitude of info depending on how complex the tracking is.

A rudimentary lot tracking system is done manually by various paperwork. A much more advanced system is an automated lot tracking system using an ERP software that eliminates manual entry of data by having the right infrastructure set up and allows accuracy when it comes to tracking a product.

Benefits

An automated lot tracking system has many benefits, direct and indirect:

- It provides traceability throughout the distribution chain, inside your company and outside of it by integrating with the Purchase order, inventory control, sales order and invoicing processes.
- Allows you to use a different lot number than the manufacturer's and still provides tracking by either your internal or the manufacturer's external lot number.
- Allows you access to information related to the product in a speedy and efficient way by allowing you to store various information. Not only you can store the lot number(s), but also information such as location, bin and shelf, dates, weights, origins etc. This is very important especially in the cases of a product recall, a customer lot inquiry or/and an internal inventory count.
- Serves as a quality control tool by allowing you to track raw materials and finished goods
- Saves labour by eliminating manual data entry prone to errors.
- Eliminates the picking of the wrong products, whether you are picking them to be packed for shipping or for use in another Finished Good item.
- Provides reporting ability on your inventory and status by lot number.
- Provides cost information by lots to be used for selling or assessing your inventory.
- Provides the ability to communicate with advanced as well as antiquated equipment or other software.

Tracking products

Receiving Stock

- When a product is purchased from a vendor and received, the lot number provided by the vendor can be used as the external lot number and you can decide to use it internally or set a new internal lot number.
- If a vendor does not provide a lot number, then you should be able to assign one yourself internally.

- The user should be able to scan or type in the external lot number.
- Using your own internal lot number can be achieved by having auto-generated lot numbers or user-assigned numbers.
- The lot number should be alpha-numeric for flexibility.
- Your software should provide enough characters space to accommodate different sizes for lot numbers from different vendors.
- You should be able to compare the shipment document against the actual lot numbers received to ensure further accuracy.
- At the same time as recording a lot number, the system should allow you to record other information such as vendor information, Purchase order and receipt info, quantity, weight, unit of measure, various dates (expiry, purchase, manufactured), and any other relevant information to your business.

Inventory Control

- Once you have received the product and have recorded the lot numbers, your ERP software should allow you to easily track the lots by providing search capabilities.
- It should also provide various reporting capabilities where you can report on the lot or costs.
- You need to be able to link a particular lot to the receipt or PO it originated from.
- You should easily be able to view a particular lot and where it is currently allocated or even its allocation history.
- Furthermore, your software must allow you to do an inventory count by product and/or by lot number. This is very important in order to reconcile your stock correctly.

Order Entry

- Once a sales order is created for a customer, your software needs to allow you to select and allocate the products by lots.
- This is how you link the various lots with shipments to customer.
- Having this lot information on the sales order, you will be able to print the picking list for internal picking of stock and print the packing or shipping list for external documents to be provided to the customer.
- The customer must be able to see the lot info (lot number for example) clearly on orders that he is receiving from you.
- A product can be returned by a customer if it is damaged or simply not desired. If a product is being returned by a customer (via an RMA), then it can easily be traced with the lot number.
- There is no longer a need to shuffle through papers to track the lots shipped or being received back.
- The lot tracking should provide you with a history of where this lot came from, to which sales orders it was allocated, when it was shipped and to which customer as well as on which invoice.

Product Recall

Product recall is a reality and a harsh inconvenience that businesses face and have to deal with in a swift manner. It is a big inconvenience as it not only costs the company time and money to track the purchases and sales of the items, but it can put a whole company on a stand-still as we have seen recently with Maple Leaf Foods. Worse, it can harm the company's reputation if not dealt with in a timely, efficient and appropriate fashion. Ultimately, it can be a big liability. The speed in which a recall is dealt with can tilt the balance of customer satisfaction in favour or against the company, which ultimately affects the company's bottom line.

"Having effective recovery strategies for dealing with product recalls efficiently and in a timely manner is imperative. If a firm handles a product recall crisis well, it can be turned into a positive advantage for that company by actually increasing consumer satisfaction beyond where it was before the recall." , " notes Manpreet Hora, an assistant professor in Georgia Tech's College of Management, researcher of a study on product recalls. "

This is where you need to ensure that your methods are efficient and fast. Time is of essence as the company's reputation and liability may be riding on it. You need to keep in mind that the best choices and processes are those that reduce the time it takes to recall the items. Relying on paper trail is no longer acceptable as it is prone to human errors such as loss of papers, incorrect information written down etc.

Having the right tools not only means a written or printed number on a label but the right software, trained employees and established business processes in place.

Investing in establishing a clear and logical business process, investing in employees training and investing in the right ERP lot tracking software is of a great benefit. The result will be confident employees that can deal with the recall in the best manner and can eventually save your company. It is an investment worthwhile.

Having a product recall entails a research and tracking of the product such as:

- Which product is affected
- where was it bought from
- to whom were they sold
- sending alerts to consumers
- receiving the products back
- resending them to vendors
- paperwork
- Accounting effect
- And a whole lot more

Only an automated lot tracking software can provide this sort of information at a split second.

Ability to update the software and move forward

With the globalization phenomenon growing, and more global interactions, the business owner has to be ready for the next generation of coding GTIN: Global Trade Item Number, if they wish to grow on a global level. Owners must be able to update their software to handle new coding guidelines for tracking purposes. Having a software flexible enough to handle this with little or no effort is of importance. At the least, the software company must be able to provide customization if necessary. Even better, the software should provide the ability to integrate with other software and equipment.

Conclusion

Nowadays, being a distributor of food, chemicals, cosmetic or pharmaceutical products, as well as an array of other products, requires accountability when it comes to tracking a particular lot/batch of an item. With the various laws and regulations in regards to consumer protection and health issues, it is important to be able to track an item in a speedy, precise and efficient way.

There is a growing need to have minute tracking of parts of products. There is a growing demand for quality control and compliance with various regulations for distributors. Lot tracking offers a reliable and accurate system to achieve a high quality control, cost reduction, stress-free environment and better management of inventory.

The right ERP software that provides a high-end lot tracking can take your business from spending hours on end tracking products to making better use of this time and growing the company's profit and expanding its business, possibly going global specially when the software not only provides lot tracking, but an array of other modules such as professional accounting, integrated order entry, purchasing, job costing, reporting and various other integration.

Business Intelligence

A whitepaper explaining why Business Intelligence is becoming important to small and mid-size businesses in order to enhance fast and effective decision making

By Mark Canes

Blue Link Associates Ltd.

10/15/2009



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Overview

"Excel spreadsheets, report writers and canned reports"... these are just some responses given by entrepreneurs when asked: What Business Intelligence tools do you use to measure your organizational performance?

Business Intelligence (BI) can be defined as the ability to extract actionable insight from the internal and external data available to an organization, for the purpose of supporting decision making and improving corporate performance.

Small and Medium-sized Enterprises (SMEs) are mostly owner-managed, entrepreneurial companies. For many entrepreneurs, decision-support tools tend to be some combination of static historical reports, analysis spreadsheets and gut feeling. This approach may work while an organization is small and easily managed. However, as companies grow or face stiffer competition, the need to make decisions that are based on meaningful information quickly becomes an imperative; succession planning puts additional pressure on a company to prove it is a well-managed business. This is where traditional reports, non-drillable summaries and spreadsheets can fall short. Spreadsheets, in particular, are potentially very dangerous tools, as discussed further in this paper

Alex Resnick is president of a management consulting company, which helps Enterprise clients understand, manage and evaluate metrics in support of strategic execution. He points out the dangers of relying exclusively on information contained in traditional reports: "Reports often contain information relating to particular transaction types, such as sales revenue and related costs. These reports typically ignore other factors that might affect the interpretation of the reported data, such as number of customers acquired and lost during the period under analysis."

Barriers and Benefits

For the SME, barriers to BI adoption include costs, lack of specific knowledge, and finding time to plan, install and implement a new system. The most common barriers are:

- Tight budgets
- Lack of sophistication and organizational knowledge
- Technology
- Small number of employees who are working on many projects and, therefore, have less time to spend on essential planning and analysis

However, for the SME that can overcome the barriers there are many potential benefits. They include:

- Aggregating data from different sources and locations
- Analysis and insight from that data
- Improved decision-making
- Risk mitigation

Ultimately, SMEs that install BI find they can compete more effectively in the marketplace, with additional insight into customer's buying patterns and needs, and with more efficient financial management.

Four Critical Areas

The SME faces most of the same BI challenges as larger organizations – and some additional ones. Successful BI implementation relies on four basic stages: information (the data available to the organization); technology; "intelligence"; and implementation and communication.

Information/Data

The smaller the company, the less data is available. In terms of internal data, a basic entry-level accounting program stores substantially less information than a higher-end ERP system. Additionally, in the context of industry-specific or competitor data, there's not much external information on small businesses. Most SMEs frequently manage supplementary key business data in spreadsheets, contact manager databases, payroll systems, and other home-grown databases. These can, potentially, be harnessed together to provide the BI backbone – provided the data is reliable and accurate. In many cases, however, data outside the accounting or ERP system is not subject to the same controls and may provide more red herrings than pearls of wisdom.

Technology

BI software tools include scorecards, dashboards, analytics, data mining and reports with drill-downs. The software solutions that can deliver these toolsets used to be beyond the financial reach of the typical SME. In recent years, however, several aggressively priced alternatives have brought comprehensive BI technology within reach. Some of these tools are available online, using the software as a service model. Others use the traditional licensing model.

Michael Burns is president of an independent consulting services company, which provides business process reviews, system selections and IT audits. He has written frequently about BI in his column in CA Magazine, an accounting publication and information source for Canadian chartered accountants and financial executives.

Burns says that some of the mid-range ERP systems are adding dashboards that are configurable, with drill-downs and, frequently, at little or no additional cost. He adds that he sees more affordable online-query and browser-based tools emerging.

But is this information being effectively communicated? Despite a perception in the IT industry that the cost of technology is no longer a barrier to business intelligence for the SME, that view is not necessarily shared by end users. Beth Crawford, CMA, is the controller for an importer and exporter of fish, seafood and associated products. She has been working on a project to implement a comprehensive BI solution, and says, "It's hard to find a cost-effective platform that is currently affordable, but that you can grow with."

And then, of course, there is the ubiquitous spreadsheet. Packages such as Excel are, undoubtedly, valuable and powerful tools; many companies mine their ERP and other data by live-linking spreadsheets to data sources, using pivot tables, conditional formatting, graphs and charts, and other built-in analysis tools. But it is important to understand the limitations and the dangers:

- The flexibility of a spreadsheet is offered at the expense of controls – formulae can be entered (or edited) anywhere;
- that complex spreadsheet may have one incorrect (but unnoticed) formula or reference that materially alters the entire picture, and the absence of controls and structure makes detection unlikely; and
- the spreadsheets are usually built and maintained by one person – if that person leaves the company, someone else will have to try and unravel the original logic in order to maintain and update it.

For key business analysis, a more structured software tool will be more reliable, maintainable and – nowadays – affordable.

Intelligence

The single most important aspect of any BI project is the determination of what needs to be measured, and how to measure it.

Burns says that a BI project has to begin with an organization accurately defining each of its critical success factors (CSF). He defines CSF as: what the organization must do to be successful. For each CSF, the trick is to determine the appropriate metrics to measure organization performance and then alert the appropriate level of management/employees to

exceptions or problem areas. Those metrics will become the underpinning of the BI solution architecture: the elements that are measured and displayed on dashboards and analytics.

It might appear that the definition of each CSF, and the consequent metrics, would be easier for the SME because the entrepreneur not only knows the business inside out (and, therefore, knows what's important) but also, with apparently fewer issues to worry about in a smaller company, can work with a simpler set of metrics.

However, the opposite is true. Most entrepreneurs are experts in only one aspect of the business, not all of them. The owner with sales acumen may indeed carry all pertinent sales and margin analysis data in his head, but would not necessarily be able to factor in cash flow considerations. Conversely, the engineer who started a successful business will understand what's critical in the product design and production areas, but may not know what the salespeople have to do to succeed.

In some cases, the SME faces exactly the same problem as larger companies: too much data. Crawford says the amount of available data from the ERP system, in the form of reports and data extracts, sometimes makes it hard to avoid being overwhelmed, making it difficult to focus on what's truly important.

It is critically important to take a strategic view in defining CSF, and the SME may not have the relevantly trained staff, such as someone experienced in financial matters (and only someone with financial experience can ask the right questions) or a supervisor accustomed to managing by metrics. Larger companies, with larger staff, can usually employ such specialists.

Therefore, the typical SME needs outside help in defining CSF and the relevant metrics. Frequently, the vendor of their BI (or ERP) solution is the first resource. This approach has advantages: the vendor will know how their software works, will have experience doing this exercise with other customers and will likely know how to interact with the available data. However, this will only really be helpful when the vendor is experienced in the same industry as the SME, and even then only for CSF and metrics that conform to best practices for the industry.

A safer option may be to use an experienced BI consultant, who can draw the necessary and relevant information out of the entrepreneur and employees – and perhaps even from competitors, vendors and customers – and then document the requirements in an actionable format. Ideally, this step would be completed before any decision was made on the actual software tools, to avoid any bias in the "intelligence" phase being based on limitations or features of already selected software. Of course, engaging an outside expert will increase project costs, but this cost differential should be evaluated against the project's success.

As Burns notes: "You would want to reduce the risks involved by starting with an understanding of the CSFs of the organization and the metrics that measure whether or not CSFs are being achieved."

Implementation and Communication

Implementation should be the simplest part of the process – if the upfront work on intelligence and tool selection has been successfully carried out.

Creating and/or mapping the data store, dashboard design, report building, drill-down definition and software configuration are obvious steps in implementing a BI solution. The key step that is sometimes overlooked or sidestepped is the design and dissemination of a communications strategy.

Resnick says, "An element frequently missing is the communication piece, explaining to the users what the analytics mean, how to interpret them, and what actions to take, for example when an indicator is red, yellow or green."

For the SME, communication is critically important, specifically in terms of documentation, because employees frequently wear multiple hats and when someone leaves the company, their replacement needs to know those same things.

Conclusion

Increasingly, SMEs will adopt BI technology solutions: as VR Srivatsan (vice president for a large South Asia company, and who has more than 17 years of IT experience) says, "The good use of IT, data and information can pay back large dividends without necessarily incurring massive investment."

Those enterprises that focus on the "intelligence" in business intelligence will derive positive and measurable benefits by identifying opportunities and making better decisions, based on trustworthy information.

However, SMEs that don't adopt BI technology will run the risk of making poor decisions, will be unaware of company inefficiencies, and will base decisions on accurate but inappropriate data.

For the SME competing in an increasingly data-driven market, the ability to access and process information with speed and accuracy is critical. Whether in recessionary times or not, it is increasingly important for the SME to efficiently aggregate information from a wide variety of sources, including non-traditional ones such as emails and networking sites.

Ultimately, making effective use of BI will be the hallmark of the well-managed SME, showing that it is an enterprise that can always answer crucial business questions, ensuring timely, accurate, information-based business decisions.

Save Time and Money: Shorten the Decision Cycle When Buying Software

A white paper explaining how a 10-Step Process can help business owners simplify the software selection process

By Mark Canes

Blue Link Associates Ltd.

04/19/2004



Photo: Flickr creative commons – by [epSOS.de](https://www.epSOS.de)

Executive Summary

Upgrading or replacing business software is a continuous and necessary component of today's business budget. In fact, "software applications ... were due for upgrades in 2004 by 40 percent of those recently surveyed," according to International Data Group (see International Data Group in [References](#)).

Software developers continuously enhance their offerings, often forcing an overhaul of computer systems in order to properly work the improved versions. Business owners find they must update or replace software every 30 - 50 months.

But knowing this, and actually making the decision - investing research time, and reworking the budget - is not easy. The need is for a simple, comprehensive and adaptable plan to deal effectively with the recurring situation

This 10-Step Process covers the entire cycle - from finding out if you need to buy now or can wait 6 - 12 months; establishing the Team; extrapolating and understanding departmental requirements; getting the right fit through analysis and research; and ultimately saving time and money.

This White Paper focuses on mid-size business needs. It provides comprehensive background information; suggests a 10-point process to help you make an informed decision; and lists resources for additional information.

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Introduction

So, you think you need to upgrade or replace your inadequate software system?

You may have noticed initial warning signals that the company is outgrowing the business (Business software handles both your financial accounting and the logistical side of your business, such as inventory control and purchasing, job costing, and billing) software: increased costs - caused by hiring additional staff to cope with extra paperwork; paying more overtime to warehouse staff; and inefficient inventory control. Generally, a company will replace or update software every 3 - 5 years.

But is it the right time for your business? Before you take a decision to purchase new software, make sure that you address all your business needs, and decide which issues are critical. The following questions are some of the critical ones you will need to answer:

- Can your business needs wait a year or two, or should you plan to buy in the next 4 - 6 months?
- If you decide to upgrade, what are your requirements?
- What systems are available?
- How much do they cost?
- How long does this take to do?
- Who's going to implement your strategic plan - you DO have one, don't you?

The 10-Step Process answers those questions, and addresses other critical issues. It will help you make a successful strategic decision through a structured and planned approach. It will simplify the selection process, shorten your decision cycle, and save time and money.

Before you begin the planning process, decide if this is an important business requirement, one that needs resolution within 4 - 6 months. Once you've decided to update/replace your software, proceed to step 1.

Step 1: Define your requirements in detail

This essential first step is usually neglected. Before you even begin to look for and evaluate software, you should document in significant detail what you want out of the software. Categorize items as "must-have", "important", and "wish-list". Ideally, you should incorporate this process as part of a strategic plan that addresses overall organizational goals.

Don't do: a distribution company selected software with strong inventory and order processing capabilities. Unfortunately, company plans to open a retail division were omitted from the overall strategy. The selected software didn't have Point of Sale capabilities, and had to be replaced after just 15 months, creating expensive, time-wasting adjustments.

Step 2: Establish responsibility and authority

One person should be tasked with the responsibility for managing the selection process and making the final recommendation. This Project Manager must be given the authority to work with other employees in defining needs and evaluating proposed solutions.

Beware: the committee approach. Often recommended by consultants, this approach can be a way to avoid making the tough decisions. A decision like this usually requires a consensus, and each individual's personal agenda can create an inability for the group to agree on finer details.

Step 3: Include all appropriate stakeholders in the process

When defining the requirements of a new system, be sure to get detailed input from all areas of the business, including key employees. For example: in a distribution company the new solution has no chance of success if it does not address the critical needs of the warehouse staff – no matter how good the general ledger or account payable features. Similarly, input from the stakeholders should be taken into consideration in the final selection/recommendation process. This, however, would be co-ordinated through the Project Manager. Not only will this help in making the right choice, but also getting buy-in from the actual end users will greatly smooth the implementation process.

However: to avoid personal objections stalling the process, the Project Manager must be empowered to say "no" where appropriate.

Step 4: Don't buy the salesperson - buy the implementation team

Successful salespeople are likeable and personable - and many unsuitable sales are erroneously based on those attributes. Ensure you make a successful decision by checking out the vendor's implementation team - you'll be working with them long after the salesperson has moved on to his next account.

In addition to the obvious criteria of the software's features, functionality, benefits and costs, the successful implementation of your new system depends on the quality of that team and your relationship with them.

Confirm: before finalizing your decision, ask for a meeting with the primary implementation personnel. See whether your confidence in your decision increases or decreases after that meeting.

Step 5: Don't shop on price alone

It's important to get a "good deal", and to minimize the amount of money you spend on an appropriate solution. But spending any amount on a poor solution is far worse than overspending on a good solution. So, when comparing proposals from different vendors, pay specific attention to estimates of service costs, such as implementation and training.

Vendors: they frequently like to low-ball the service costs. Your final bill will be based on the actual hours/days, so this common ploy is used to keep down the overall cost in the proposal. Implementation and training costs are usually 1 - 1.5 times the software license costs, and occasionally as high as double the costs.

Step 6: Industry Standards and Open Architecture

It's a new system, so make sure it uses modern technology. Avoid systems that use old development languages such as COBOL, or don't provide a true Windows interface. They should use a standard, widely used and open, database - such as Microsoft SQL-Server - to store information, not some proprietary file structure.

Be sure: you must be able to get at your key business data using industry standard tools (like Excel). No matter how good a system is at processing transactions and storing information, a basic, non-customized 'out of the box' solution is not going to give you all the reports and management information that you'll need as your business grows.

Step 7: Get the right fit

You may be in an industry where an inexpensive off the shelf package will meet most of your needs. If that solution addresses both current - and future - requirements, then that may be your right fit.

If not, then you will need to consider an industry-specific solution - one that may cost more but does meet all your requirements. Sometimes, this fit can also be achieved with an off the shelf package. At other times, however, you may need to look at an alternative solution - one that can be configured to meet your individual needs with the addition of specific components. The final option to getting the right fit is a custom solution.

If you determine that an off-the-shelf solution doesn't fit: look for a solution that facilitates either the easy addition of appropriate components, or specific customization - rather than building a solution from the ground up. Make sure the system is upgradeable with all custom capabilities. Look for a vendor with a large user base and a successful track record of upgrading customized installations. And find out the upgrade costs – including your customized portion – up front.

Step 8: Do not make assumptions

If a feature is important, and it's part of a proposed software package, it should be easy to see in action as part of a demonstration.

Demo Mode: if salespeople tell you that your requirement is a standard feature, but can't be demonstrated because the "demo data is not set up to show this", ask them to return at a later date with appropriate data.

Step 9: Data conversion

Even though you're getting a new or upgraded system you'll still need to access data originally stored and processed with your previous software. The old data must be incorporated correctly into the new software. This will be of varying degrees of importance to you. For example, you may need to access sales account information, where thousands of transactions provide your clients' previous buying patterns.

The old system: data that has been saved in an old/outdated software language must be transferable, in a useable format, to the new system.

Step 10: Check references

The importance of a well-qualified, experienced, and successful local consultant increases with the complexity of the software system. Most experienced businesses rate the developer's track record as much more important than price.

http://www.blytheco.com/pdf/misc/top_ten_criteria_for_selecting_software.pdf

Ideally, your software provider should be able to understand and appreciate your overall business requirements

Qualifications: personnel at the software company should have business experience, proven IT knowledge, accounting, and customer service skills. For example, the new CA•IT designation from the Canadian Institute of Chartered Accountants recognizes professionals who help organizations succeed

by combining business acumen with IT knowledge. Check out if anyone on the software company team has “cross-over” credentials that combine business and accounting with technology skills

Conclusion

The decision to upgrade or replace business software has to be based on proven data. These facts are drawn through objective situation analysis, a structured approach to the solution, and forward planning.

Company requirements, appropriate software, and calculated present and future costs, are all important factors in determining the final business decision.

Having an effective plan will result in a simplified process, timely decisions, and savings in time and money.

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http://www.cica.ca/index.cfm/ci_id/640/la_id/1.htm

Alliance for Excellence in Information Technology

Answers the question: What is a CA•IT --- a CA-designated IT Specialist?

http://www.cica.ca/index.cfm/ci_id/640/la_id/1/province/ON.htm

Find a CA•IT Specialist in your area of Ontario.

Integrity and Reliability = Trustworthy Accounting

A white paper discussing the importance of cross-checks and integrity routines in modern business and accounting systems

By Mark Canes

Blue Link Associates Ltd.

05/21/2004



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Executive Summary

Recent accounting scandals, highlighted by cases at Enron, Arthur Andersen, WorldCom and Qwest, have emphasized the need for corporate governance, especially responsible corporate accounting. Interest in corporate responsibility will remain high, according to US attorney Gordon Davidson¹, and the recent 'Accounting Industry Reform Act' (US) means tougher corporate accounting regulations.

Integrity and reliability are increasingly an essential part of all business components - in people, transactions, and software. Microsoft recently addressed the issue with its 'Trustworthy Computing Initiative'². It is essential that businesses not only use responsible accounting methods, but also that they can rely on those methods to be accurate.

Small and mid-sized businesses must know the limitations of their current accounting software; understand the possible ramifications of system accounting balance failure; and take steps to guarantee the integrity, reliability, and accuracy of their systems.

This white paper highlights the need to recognize problematic software accounting methods; minimizing errors in account balance integrity, ledgers and sub ledgers; and reducing the need for expensive rectification, thus avoiding serious legal ramifications.

¹ Fenwick & West, a Palo Alto California-based law firm

² <http://www.microsoft.com/mscorp/innovation/twc/>

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Background

Not so long ago - in the closing years of the last century - computerized accounting software seemed to be the solution to the problem of the escalating expense of retaining a staff of full-time accountants and bookkeepers.

After all, computer systems could automatically process all entries to ledgers, track debits and credits, and provide balanced 'books' at the end of the year. It seemed logical to take advantage of this new automation, and decrease manual accounting expenses by using cheaper - but less accounting-educated - data entry staff.

A manual accounting system usually entailed the monthly balancing of the general ledger to ensure that debit balances equal credit balances, and the financial statements were prepared using the trial balance amounts. Computerized accounting systems usually give trial balance as a built-in report, and most packages will not allow posting of an entry to the general ledger until the debit and credit balances are equal. All these actions are intended to ensure the integrity of the accounting structures.

But despite all this computerized tracking, the reality of ensuring 'balanced books' - defined here to include trial balances, control accounts and sub ledgers - has often proven to be very unbalanced indeed.

How did this happen?

Back in the 1980's, when computer use was still rare - at least in most mid sized businesses - well-trained bookkeepers would keep meticulous books, doing regular monthly balancing. Even where computer software was being used, there was still the same level of discipline, with errors caught by the end of the month at the latest.

By the 1990's, a new staffing trend followed the introduction of second-generation automation. Employers spent large amounts of money on new computer accounting systems, and then tried to recoup some of that expense by hiring people with reasonable keyboard skills as opposed to expensive bookkeeping abilities. Often, these new employees would lack full understanding of the necessary controls in accounting. Data would be entered without any regard to its accuracy in relation to ledger balancing.

Result

Because most small to mid-sized businesses don't have dedicated Chief Financial Officers or Controllers on staff, they rely instead on contract accounting at year-end. When data errors are not caught and rectified within a short period of time, days (or weeks) of detailed backtracking may be required to unearth the mistakes. Expensive hours are wasted, paid out by the business to the contract specialist hired to sort out where and when the incorrect entries were made. In some extreme cases, this might

mean tracking back through 12 - 14 months' worth of data entry. Repercussions can include mounting financial accounting expenses, and possible legal or taxation problems.

Strategy

Accounting software providers often attest to the invulnerability of their own software system. It is true that a closed software system - with no input from third party software - may effectively ensure accounting integrity (assuming it has no "bugs"). However, in today's business, data input frequently includes information from other software systems. Businesses use other software packages which "interface" with their own accounting software, or add-ons designed specifically for the accounting package but not developed by the same vendor. It is this input, unverified and untracked, which jeopardises the integrity of the system.

Once the inaccurate integration process has caused an out-of-balance situation, trying to reconcile and identify the cause, weeks or months later - when the out of balance situation is finally discovered - is time- and cost-consuming. 'Solutions' to date have consisted mostly of 'patches' and much manual checking, and re-checking, for errors in accounting system integrity.

Overall, this is an expensive, laborious, and unacceptable long-term approach to ensuring the integrity of accounting structures.

A Better Way

The preferred approach is to build integrity and reliability into the entire software accounting system, taking into account commonly encountered third party input.

Indeed, it is computer integrity and reliability that Microsoft recently addressed in part of its 'Trustworthy Computing Initiative': "As computers become increasingly central to how people work and live, it becomes increasingly essential that they perform as expected. Users look for a consistently trouble-free computing experience.

The Ideal

In an ideal world, the accounting system would identify inaccurately integrated data as it occurs, or at the next possible occasion. For transactions posted within the integral accounting package, the warning (of inaccurate data input) would happen automatically; if the situation was caused by external, third party software, a trustworthy system should still identify the problem, and give the user a timely warning. (It is worth noting that it is not always transaction flow – internal or external - which causes

error; problems may arise as a result of a technical person making 'modifications' directly into the database.)

Unfortunately, these necessary, and anticipated, checks and balances, while taken for granted by the software user, often do not work adequately. Many a business has found itself having to waste resources in backtracking to discover the cause and timing of a system accounting error.

Method

Logically, those checks and balances are installed in the main software accounting system - and proven, and thus accepted, as an integral, trustworthy part of the software package.

For example, a company's manufacturing division enters incorrect data gathered on its Excel spreadsheet, which is third party software. With under-performing software, this erroneous data is not caught prior to entry nor realized afterwards. This may go unnoticed for months. In the preferred system, the main accounting software will catch the incorrect entry. It will do this by making its own check of all entries, including those incoming from third party sources, and alerting the user to an incorrect entry. It should not allow further entries until all accounts are correctly balanced. It should alert the next user and identify the incorrect entry or entries.

Availability

A search through current software products yields few examples of systems meeting these 'Trustworthy Accounting' requirements. Those that do match up to the guidelines are usually, with a few exceptions, in the high-end marketplace. However, as businesses realize the necessity of adhering to high standards of corporate responsibility, the need for reliable software tangentially increases.

This general summary of available software should be used only as a basis for more detailed, in-depth corporate research.

High-end:

Software which fits the 'ideal' profile is available for high-end users. Systems such as those provided by, for example SAP, can check automatically for continuing integrity of the accounting systems at frequent, pre-determined times.

API:

An API - Application Programming Interface – may be used to enhance accounting system integrity. The interface is installed on the accounting software system, and then programmed by company or vendor employees, to integrate information from 3rd party systems (as opposed to having those systems simply "dump" data into the accounting system's database). This forces the 3rd party transactions to conform

to the accounting system's business rules. While use of an API is recommended, for many small to mid-sized businesses it is not readily available in the accounting systems in use.

Mid-range:

While accepting that 100% trustworthiness is unlikely to be achieved by any technology, some mid-sized systems do offer account balance integrity. For example, Blue Link Elite 10 offers the functionality and capabilities normally found only in high-end ERP products, in tracking and preventing out of balance situations even when externally generated.

Low-range

In general, entry-level systems do not offer many options for ensuring sophisticated account balance integrity.

Conclusion

Integrity and reliability will increasingly be used to measure the adequacy of a software system.

Logically, integrity checks should be continuous and comprehensive, and address all areas throughout the software system. Not having this is like putting an expensive alarm system in your home, and then leaving the vulnerable ground floor kitchen and the ravine-facing back bedrooms out of the alarm loop.

Availability of adequate software systems will not be a problem. Developers are continually improving performance and capabilities, and price is stable. However, in keeping with Microsoft's policy for computing trustworthiness, the small to mid-sized business owner will need to look beyond basic computer requirements, and consider the integral reliability of the entire business-wide software system.

Availability of adequate software systems will not be a problem. Developers are continually improving performance and capabilities, and price is stable. However, in keeping with Microsoft's policy for computing trustworthiness, the small to mid-sized business owner will need to look beyond basic computer requirements, and consider the integral reliability of the entire business-wide software system.

The responsible business will recognize the limitations of its current accounting software, and will seek checks and balances throughout the entire system. This will minimize the accounting integrity errors which can lead to system accounting balance failure, with its attendant serious legal ramifications, and additional accounting expenses.

Resources

White paper on Trustworthy Computing

http://www.microsoft.com/mscorp/innovation/twc/twc_whitepaper.asp

MS trustworthy computing website

<http://www.microsoft.com/mscorp/innovation/twc/>

Gates Initial Letter to Staff on TWC

<http://www.wired.com/news/business/0,1367,49826,00.html>

Tech learns lessons of accounting woes

http://news.com.com/2100-1017_3-947332.html

Corporate Governance: How to Say 'No' and Still Get Lunch

<http://www.empireclubfoundation.com/details.asp?SpeechID=1881&FT=yes>

Build a Truly Profitable Business by Streamlining Your Landed Costs

A white paper explaining how software solutions can help business owners stay on top of true costs

By Darren Myher

Blue Link Associates Ltd.

10/26/2010



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Executive Summary

Identification of true landed costs — a long-time goal of manufacturers, distributors, importers and retailers - has grown in importance for all successful businesses in today's increasingly competitive market.

Landed costs are those sometimes hidden costs that are involved in making goods available for sale. Typical landed costs might include freight, duties, handling fees, and other charges that, if ignored, would distort the cost of the product being sold. While many software systems include basic landed cost tracking, a new breed of software systems is evolving to provide business owners with greater control over how landed costs are applied.

As Bruce Wulfsohn, president of Japan Auto Parts (an importer of Japanese Automobile engines, gearboxes and transmissions) says, "As more companies in the auto industry are competing on price, it's become even more important to know our true inventory costs accurately and immediately. This gets complicated by varying costs like freight, the duty imposed on imported products, and of course the exchange rate. The trick is to know our real costs at time of selling, even though some of the bills will only arrive weeks later."

When acquiring a new system, the key is to buy the maximum flexibility you can afford, planning for future upgrades, and continually minimizing manual interaction.

This White Paper focuses on mid-size business needs. It provides comprehensive background information; examines some common business challenges; suggests cost-effective solutions; provides links to case studies; and lists resources for additional information.

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Introduction

The convergence and streamlining of technology and accounting have helped global business expansion. Just as the North American Free Trade Agreement (NAFTA) opened up the door to free trade and new technologies, automation has eased cross-border shipping. At the same time, accounting regulations have tightened, competition is increasing, and budgets are shrinking. Companies need to show their commitment to strong financial accountability, while continuing to make profits.

The old 'will do' accounting system is simply too limiting to deal effectively with the new complicated accounting realities. Paper-based manual systems are open to daily error, compounded at the annual audit. Even an automated accounting system combined with spreadsheets can be too rigid to deal with rapidly changing regulations and trade agreements.

While all businesses recognize the need to develop an efficient automated accounting system, many small and mid-sized companies feel confused by conflicting information, escalating costs, and limited time in which to gather resources to make a decision. They feel overwhelmed by the IT advantages of the large corporations, with their big budgets, trained personnel, new equipment, and endorsement from management for long-term implementations.

Fortunately, software companies are aware of the new market opportunity, and are developing new enterprise resource planning (ERP) systems for mid-size¹ businesses. Cost-effective accounting and business systems are now being developed specifically for small to mid-size businesses. These new accounting systems are narrowing the technology divide between Tier One and Tier Three companies. Easy to use, and offering a good return on investment, the streamlined automation reduces manual errors, provides instant reports, and gives accurate, customizable tracking of costs.

¹ Mid-sized businesses are those with revenues of \$5-\$50 million, and up to 50 employees.

Background

Landed costs are the total expenses incurred to purchase, transport, and import goods from one place to another, within a country or across continents, including border fees, duties, taxes, transport costs, insurance, trans-loading, and port handling fees. A landed cost will therefore involve the calculation of three main elements: the actual cost of the goods; transportation and insurance; and other government fees assessed on the goods.

It's easy to sell products at a loss when you don't know what it costs to get them to you in the first place.

"Without the actual landed costs, you can't address a lot of issues," according to Timothy Minahan, the director of supply-chain management research at Boston's Aberdeen Group Inc., at a Council of Logistics Management Conference.

These issues include saving time, reducing labour costs, streamlining operations, and integrating business operations.

Time

Without an integrated accounting system, it can take days of laborious communications to find a particular landed cost. Innumerable, time-intensive telephone calls, emails, and faxes, follow every product change, simply to counter the unknown effects on transportation plans or classifications.

Capturing the actual shipping, handling, and import fees (landed costs), and rolling all these into the actual cost of goods, is made simple with an integrated system. The company can account for additional costs beyond the merchandise cost of inventory incurred in purchasing items, including freight and miscellaneous origin and destination charges, and then represent these costs in the valuation of inventory.

Cost

Organizations can no longer afford to relegate logistics to the back office or shipping docks. All business operations, from sales and marketing, to manufacturing and supply chain execution, to after-market service, rely heavily on logistics activities and information. Transportation expenditures can be 20% greater than the combined costs of warehousing, customer service and order entry. As companies outsource more operations and support a larger, often global, customer base, logistics is increasingly important.

Effective systems calculate all the costs accrued along the way

Companies with an integrated IT framework gain significant cost and performance advantages. Conversely, organizations that do not embrace integration will suffer from disconnected business processes, poor market intelligence, high inventory and transportation costs, and slow responsiveness to changing market dynamics.

The accurate tracking of landed costs leads to:

- **Improved cash flow** - inventory is accurately calculated, releasing cash flow, lowering borrowing costs, and allowing growth potential
- **Increased sales** - the sales force gains timely access to accurate information, makes fewer errors, closes more sales and establishes longer-lasting customer relationships

- **Improved time management** - improved efficiency reduces the picking, packing and shipping time
- **Reduced employee costs** - business can expand without adding human resources
- **Cost savings** - error elimination in the picking and packing process saves money, and improves customer relations

Such improvements can be the critical difference between success and failure

More Sophisticated Software is the Solution

In an ARC Advisory Group newsletter ('Effectively Managing Service Parts Inventories') a survey showed:

"...49 percent (of those surveyed) stated their most recent implementation of Supply Chain Management software was successful, yielded significant ROI, and had no adoption issues. The top three success factors mentioned include good performance/functionality, faster/more accurate/easier to manage data, and reduced costs/increased profitability."

Most systems cover the basics fairly well, offering standard features for General Ledger, Accounts Receivable, Payable, Inventory, and Payroll areas. The crucial differences lie in the interface, navigational tools, customizing options, updates, and integration with e-commerce web sites. Specific needs often differentiate a business from its competitors, so it is essential that any accounting software is flexible enough to work with a company's existing systems to maintain that critical edge.

A standard off-the-shelf solution will not do the job

Until recently, the only alternatives have been the low-end 'one size fits all' package, or the high-end, purpose-built system with individually written applications and high costs. The new mid-range systems offer a much-needed third choice. A detailed needs analysis and careful research will identify the best software system to fit your company's requirements.

The ideal solution for the growing mid-sized company is a mid-range flexible package capable of handling business complexity, allowing some customization, timely upgrades, and giving cost effective results which meet business needs.

In selecting a new business software system, you should be able to look forward to the following benefits:

- Inventory costs that are inclusive of landed cost
- A greater level of control over how landed cost factors are applied to items purchased
- Lowering costs of materials by considering the total costs of procuring goods

- Reducing duty payments by identifying all preferential trade agreements, enabling calculation to be based on various identifiers, such as volume, weight, or dollar amounts
- Reducing the need for post-sale customer service by delivering goods at expected prices
- Decreasing operational expenses by eliminating manual tasks and costly mistakes
- Optimization of profits through proper pricing strategies

Conclusion

Tangible benefits and satisfactory returns vary from business to business. But, every business can enjoy the immediate results of increased automation in landed cost calculations - increased profits, decreased costs, and no surprises at year-end.

Effective results are the trademark of the improved Tier three solutions.

Geared to companies with annual revenues of \$3 to \$50 million, they are less complicated than expensive Tier one solutions, have shorter implementation times and offer improved connectivity and collaboration.

It is critical that the chosen system can take all the pieces of the business and integrate them into one database to make communications seamless. A needs analysis should be completed prior to researching available and affordable systems. Consideration also needs to be given to the ability of the any new system to expand and grow along with the company.