

# Business Accounting System

## ACFI4012 Assignment 2

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### Introduction:

### Enterprise Resource Planning:

Enterprise resource planning (ERP) is the integrated administration of key business operations, sometimes in real-time, and mediated by software and technology. ERP is commonly referred to as a class of business management software, typically a collection of interconnected applications that a company may use to gather, store, manage, and understand data from a variety of business operations. (Wikipedia, 2022)

Using shared databases managed by a database management system, ERP provides an integrated and constantly updated picture of fundamental company activities. It usually uses a database as an information repository, running on a range of computer hardware and network setups. (Dmaithan, 2016)



(Brodner, 2014)

## 1. Financial/ salesforce ERP system:

An ERP system called Financial Force is a cloud-based ERP developed as an add-on to the Salesforce1 system. An ERP system is marketed as a solution for customer-driven economies. The Financial Force ERP system includes ordering and finance capabilities, HCM, services automation, and supply chain management. Its primary strength is the simplicity of integration and extension through apps from the Salesforce Ecosystem or Salesforce1 Platform. (ERP Focus, nd)



(Diginomica, 2014)

### Features:

- Streamline the financial process: Financial ERP systems converge financial data and offer a single source of truth to expedite financial processes. This reduces duplication and increases effectiveness.
- Faster bookkeeping/automation: Financial ERP systems converge financial data and offer a single source of truth to expedite financial processes, which helps to reduce duplication and increases effectiveness.
- Opportunity to renewal: Automate the billing and collecting process from when a chance closes until payment, renewal, and revenue recognition. Maintain a healthy cash flow and low days sales outstanding (DSOs).
- Master customer record: Connecting Financial Force to Salesforce will eliminate the expenses and hazards associated with synchronizing transactions and master data between several platforms. Utilise

common reporting and analytics tools, share workflows and break down departmental barriers. (Financial Force, 2021)

### Pros:

- Utilising, implementing, and customizing the software is simple. Additionally, you don't need to change the code; you can simply click to integrate and customize the software.
- Through a reporting dashboard, this ERP enables users to drill and view their data.
- A single platform hosts all apps. As a result, consumers will only receive one version of the data that facilitates auditing and compliance.
- Users may access transactional evidence, scan documents on a single platform, and keep an eye on key account fields.
- Comprehensive audit trails for transactions, master data updates, and security configuration changes. (Staff, 2023)

### Cons:

- Some procedures require more time, such as cash matching and printing checks.
- It takes longer for customer assistance to reply and identify the issue.
- Getting a reliable financial statement report is difficult and the expense reports and payable invoices cannot be integrated via a module or app.
- There are no links to local government resources (VAT, Direct Tax Returns). (Staff, 2023)

## 2. Unified (U-ERP) system:

U-ERP is a management platform built on a low-code and no-code design. With the aid of this innovative software package, anyone may get a sophisticated commercial application. The implementation happens very quickly, adapts to your internal infrastructures and procedures, and boosts your business's productivity. It automates and finalizes all the financial data.

U-ERP incorporates modular ERP functions from a company's financial management to the digitalization of critical operational activities. Real-time reporting of each of these operations, from sales management to

maintenance management, is possible by the platform. (Trust radius, 2023)

## Features:

1. Essential functionalities for financial follow-up:  
Accounting operations including accounts payable, accounts receivable, and general ledger are automated and streamlined by U-ERP systems, which lowers the possibility of mistakes and speeds up processing.
2. Digitalize your operations to save time and performance:  
Full financial reporting will get possible by altering accounting statements including the balance sheet and income statement, as well as by creating ratios and graphs. With flexible and practical data reporting, you will be able to see all of the financial and operational data at once.
3. Import of data and integrate documents:  
Import all of your data, including accounting records and bank statements, which are required records in the event of a tax audit. Integrating your supplier and customer invoices with optimized pay slips will save you time and resources.
4. Integrated security:  
Secure a reserve, a warehouse, a room, a parking lot, a lab, a building, or anything else with U-ERP Access Control. Manage permissions for movement and decide whether to grant or deny access to certain places.
5. Real-time access to data:  
To examine your business and make wiser decisions, use U-ERP to access real-time data whenever and wherever you need it. With the help of our BI tools, you can increase your productivity and have greater visibility into the results of your efforts.  
(U-ERP, 2023)

## Pros:

1. Increased output:  
The effectiveness of low-code no-code platforms gives developers more time to concentrate on more worthwhile activities, which increases productivity and creativity.

2. Possibilities for automation:  
Teams may build dependable and effective workflows using low-code and no-code platforms without having to start from scratch every time.
3. Availability:  
Nearly anybody can utilize low-code, no-code platforms since developers with no training can adopt them.
4. Reduced prices:  
Businesses may cut expenses and increase revenues without the requirement for highly experienced developers or specific training.  
(Ghosal, 2022)

### Cons:

1. Cost implementation:  
A U-ERP system's implementation and upkeep can be costly, especially for small and medium-sized businesses (SMEs). The price includes hardware, implementation, modification, software licenses, and training.
2. Security risk:  
Due to the sensitive nature of the data they manage, U-ERP systems might be exposed to security risks including data breaches and cyber-attacks.
3. Limited scalability:  
Using low-code platforms can make it challenging to scale your program if it grows exponentially quickly.
4. Limited customization:  
Although the U-ERP systems can be modified to meet unique business requirements, this process can be expensive and time-consuming. Customizing a system can reduce its flexibility and make it challenging to maintain or upgrade. (Ghosal, 2022)

### Comparisons:

The ERP systems Financial Force/Salesforce and U-ERP are both created to assist organizations in enhancing their operational performance and efficiency. The two systems, however, differ significantly in certain key areas.

The Financial Force/Salesforce ERP system is a cloud-based solution, whereas the U-ERP system may be either cloud-based or on-premises, which is one of the primary contrasts. As long as there is an internet

connection, this enables users to use the Financial Force/Salesforce ERP system whenever they want, from any location. The U-ERP system, on the other hand, offers additional security and control because it is stored on the organization's own servers. Before deploying the system, you must select the appropriate personnel to handle it if your organization lacks an IT staff. An on-premises ERP system's infrastructure setup and deployment is a time- and money-consuming operation whereas ERP solutions that operate in the cloud are already installed and operational. Typically, a monthly fee that covers hardware and software costs is what you pay. On-premises ERP systems need extensive training and technical support. However, in the case of cloud ERP, the service provider will help the technical staff manage the IT operations and provides assistance in resolving technical issues. On-premises ERP systems provide a high degree of customization. However, the process of customizing the On-premises ERP may cause a delay in deployment. A VAR (Value Added Reseller) will customize a cloud-based ERP system in accordance with the needs of the business. Updates and security patches for your cloud-based ERP system will be applied automatically. (Data Drive Investor, 2019)

Talking about, Which ERP system is "better" in my opinion, depends on the particular demands and needs of the organization. Both Financial Force ERP and U-ERP Systems have advantages and disadvantages, and the choice should be made depending on the organization's size and complexity, its industry, the features and functionality it needs, and its budget.

## Sage and Xero:

Sage is a desktop-based accounting software for keeping track of your company's finances. It enables rapid and simple invoice creation and tracking, cash flow monitoring, payment acceptance, transaction recording, and much more. It is made for solo proprietors (with or without staff) and small or medium business owners (supports limitless users). It may be used both individually and collaboratively. Multiple users, including an accountant (if you use one), can easily be granted access. (Sage, n.d.)

Xero is all-in-one cloud-based accounting software that is specially designed for smaller start-up companies and a younger generation of business owners. (Anon., 2021) It carries out bookkeeping tasks like payroll and invoicing and enables you to link the application to a real-time bank feed. Because Xero supports both cash-based and accrual accounting systems, it is ideal for businesses that follow IFRS or UK GAAP. (Financials, 2020)

## Comparisons including pros and cons of both accounting Software:

For their respective target markets in the UK, Sage and Xero are both industry-leading accounting software options. While Sage serves a wider range of business sizes, including small, medium, and large enterprises, independent contractors and smaller businesses primarily use Xero.

The user-friendly design of Xero makes it accessible to all business owners, regardless of their level of accounting expertise, while Sage is more complicated and necessitates the help of accountants. There is limited access in Sage as it only enables integration with sage-related products whereas being a cloud-based, Xero enables users to incorporate with different programs and perhaps get a better deal. In Xero, financial information can be accessed from any device, which enables business owners to work from anywhere. However, Sage requires an additional cost upgraded package. Being desktop-based, Sage requires a constant backup for data whereas Xero eliminates the danger of data loss because of faulty hard drives or a stolen computer by ensuring the secure storage of data in the cloud. Sage is more complicated and necessitates the guidance of accountants, but Xero's user-friendly interface and accessibility allow all business owners, regardless of their accounting background, to locate financial information effortlessly. Xero is connected to a number of UK banks, including HSBC, RBS, NatWest, and Barclays, bank statement reconciliation is simple in Xero. Though Sage offers the option for businesses to connect their bank statement, the system is run by a third party, so entering bank information involves more work. (Accountants, 2018)

Well, the choice between Xero and Sage is depend on the specific need of the organization. But in my opinion, Xero is best because, in Xero online accounting, you may access crucial company data without being seated in front of a laptop or computer, unlike Sage. A summary of your financial data can be looked at from your phone, it is safely saved on the Cloud. You can fulfil your daily accounting demands using Xero's more user-friendly, simplified software. Sage requires regular backups. You don't have to worry about damaged drivers, your computer malfunctioning, or being stolen when you use Xero since your data is

securely saved on the Cloud. Additionally, you are aware of the most recent software update. (Dobson, 2020)

## Conclusion:

Based on the comparison between Financial Force ERP and U-ERP, each system has benefits and disadvantages of its own. A user-friendly interface, simple setup, and scalability are all features of the cloud-based ERP system (Financial Force). On the other hand, the Unified-ERP system offers superior control and security while providing a single platform for all corporate processes.

The decision between Xero and Sage will rely on the particular requirements of each organization. Businesses that value automation and simplicity may benefit more from Xero, while those that need more sophisticated reporting and project management tools may benefit more from Sage.

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