

How to Choose the Right Accounting Software for Your Business

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Professional Services organizations need the right tools to get full visibility of their finances. Recording how many hours staff have worked on a project to ensure that clients are invoiced correctly is imperative to business growth, but it's not always easy to collect accurate information.

Although there are a number of accounting software packages, it's important that the one you choose has the ability to communicate with your existing business systems in order to collect the right information and analysis from it.

Nevertheless there is no need to buy an accounting package which then has to be integrated into your business systems, such as CRM and resource management. They are available as one solution in the form of Enterprise Resource Planning (ERP) software, removing the challenge of choosing accounting software that needs to be integrated.



Accounting software vs project-based ERP

Accounting software is designed to only handle individual business functions while project-based ERP has the capacity to deal with all business functions of a Professional Services organization - including finance, HR, project management, business development - and ensure that all projects are reported on for complete business transparency.



With project-based ERP you can organize integrated operational processes and information flows to make sure that your organization's resources are used both efficiently and effectively.



With project-based ERP as an integral suite offering accounting software functionality, it becomes a more powerful tool for making accurate forecasts and providing the relevant people with accurate data and information.

Increase your project's value with ERP

Having an ERP suite that has accounting and other functionality which are configurable to the needs of an individual organization will add further value. Projects will be enhanced with better scheduling, resource planning, reduced inventory and improved financial management.

Not every ERP software package meets the operational requirements of each industry or firm. Having solutions that can be configured specifically for your organization makes it increasingly possible to adapt to the immediate and future business requirements of your company. It can either be stripped back or enhancements can be made.



Benefits of project-based ERP with inbuilt accounting functionality

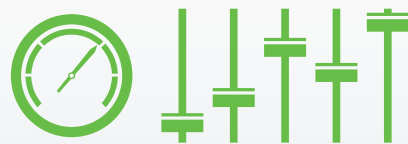
In addition to the aforementioned benefits, a good accounting package should deliver the following:



Better decision-making capabilities - enabling finance and project managers to gain a time-based overview of the performance of the organization, offering detailed reports and other necessary data. This enables better strategic planning.



Improved cash flow - cash management is essential for any kind of business. With the right system it's possible to gain from having integrated billing, inventory, accounts receivable and accounts payable. With better cash management, Professional Services organizations can focus on revenue-generating projects and long-term growth.



More control - get real-time access to your organization's financial information. The components and functions of the business can therefore be better managed.



Improved ROI - a project-based ERP solution that offers accounting functionality can improve an organization's ROI by reducing costs as well as enable improvement in transparency across departments by allowing authorized people to see the profitability and progress of specific projects.

Make the right choice

With so many disparate accounting software packages that don't come pre-integrated within an ERP system, and with so much choice on the market, finance managers can find the exercise of choosing the right solution confusing. So it's best to avoid rushing in and being tempted by the first package you come across.

Speak with a number of consultants and software partners with expertise in the Professional Services market and conduct an internal and external software audit to find the right solution for your business.

This approach may take extra time, but it could save you money, time and effort later on. Following such an evaluation as this allows for an analysis of whether a particular solution will enable the entire business to meet its overall business goals and objectives. This process will undoubtedly involve finding a technology partner you can trust.

Software selection

So what are the considerations that you should make?



Allow for the future expansion of your business - as your business grows you may need more personnel to manage your finances and projects.



Involve the right people - choosing software shouldn't be delegated to just a single department or manager. Encourage participation in the selection process across functional groups. This will help to choose the best possible ERP suite and there should be some consideration about who will sign off its purchase. The right people will include systems users, managers, information systems staff and customers. These are the people who rely on project reports, summaries and other data that's generated by the ERP system to make decisions relating to a particular function or department.



Define the challenge - ask questions about the challenges the organization faces with its current accounting systems. Consider, for example, which manual tasks could be automated, think about what causes the greatest loss in productivity and how errors can be reduced. Identify what data is required to make strategic decisions and what is needed to make accurate forecasts for better cash management.



Choose a software partner - consider the partner's vision for the future regarding its own products and other similar products in the market. Some software partners may offer faster installation times, greater application user-friendliness, but they often also have limiting factors such as missing options or modules that are lacking. Ideally, you will want a software partner with industry knowledge and expertise so they can advise you about whether frequent updates are available and help you to ensure that your ERP software remains aligned to your business goals.



Level of involvement - many software partners can assist with the rolling out and training for the ERP system, as well as ensuring that it is aligned with all areas of your business and can help you work towards your business goals.



Implement the system - allow for a period to experiment with the new software and ensure that it fits your business. Take time to analyze its performance before undertaking a complete roll-out. A good standard of training will be required and people will need to be kept informed of the changes to avoid any resistance to the new solutions.

Quite often people don't do their homework which can lead to a system that doesn't fully represent or support the business' functions. With the right system, staff will have the time to work on strategic tasks rather than administrative ones - such as trying to find the right information - that don't add value. Success also requires some recognition that the right ERP will improve the productivity and financial performance of the organization, but this necessitates having advocacy from the top of the business to the bottom.

This software isn't just for accountants. The right project-based ERP solution will enable the entire business to deliver timely projects.