



## A guide to choosing the right financial solution

Whitepaper: Part 2



## Welcome to Part 2

Welcome to **Part 2** of the Enhanced guide to choosing the right financial software solution for your organisation.

At Enhanced we understand that changing your financial software is a big decision, which is why we created this guide to help you through the whole process.

**Part 1** explored the preliminary questions you need to answer. Now it's time to analyse in more depth the specific tasks you need to perform and how these can be made easier by having the right system.

## Reporting and business intelligence

Business intelligence is about empowering your staff to make better decisions. It all hinges on your organisation's ability to gather, store and then re-access important data.

Here are some key things to consider:

- **Dashboard reporting.** Effective dashboard reporting enables you to access relevant information instantly, this means you can perform all necessary actions without delay.
- **MS Office integration.** Seamless integration with industry standard applications such as Word, Excel and Outlook means you can access, use and amend account data in a way that is familiar.

- **Alerts.** Prompt alerts about critical data mean you should always notice important dynamics such as a sudden increase in demand.

**User Specific Information.** Reporting should be delivered to individual users. Metrics are user specific and as such should therefore be tailored.







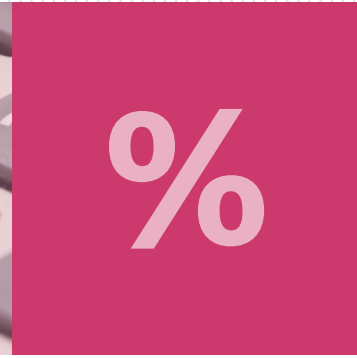
## Accounting

All good financial systems will have basic accounting tools like purchase and sales ledgers. But what other tools can help optimise your functionality?

Here is a rundown of the most important:

- **Asset management tools.** Tracking the abundance and depreciation of all assets within your organisation is an important task. These tools give you all the latest figures on asset values at your fingertips.
- **Board pack tools.** Organising all the documents you need for board meetings is much easier with dedicated board pack tools. A good financial software package will automate all the standard document templates and will also be integrated with your office software.
- **Cash flow forecasting tools.** Having accurate reports that use advanced mathematical modelling is a clear advantage for any organisation. Thanks to these tools you always get the most up-to-date information on what is coming in and what is going out.
- **Credit control tools.** These help you chase outstanding payments to increase cash flow. Up-to-date software will prioritise debts in the way you choose and also enables you to send out reminders and invoice copies by email.
- **Sales and purchase contra tools.** You can save time on administration by using this functionality to 'contra' transactions with suppliers who are also customers. This means you will eliminate the need to pay each other.
- **Automated bank reconciliation tools.** These help you keep on top of day-to-day high-volume transactions. All good business solutions will be able to identify errors according to the parameters you set. As a result, you can attend to all irregularities as and when they arise.
- **Green accounting tools.** You can quantify your carbon footprint and identify waste thanks to flexible green accounting tools. Remember, larger companies may be under a legal duty to report on carbon emissions. If this applies to you then these tools will enable you to comply with your obligations with minimal effort.





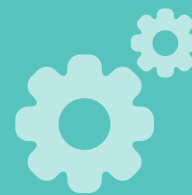
## Costing

Nowadays businesses and other organisations demand flexible financial systems that can provide up-to-the-minute costing data at every level of operations. This gives you accurate and contemporaneous insights into how capital is being used, and also how it might be used more effectively.

Here are the main financial software costing features:

- **Compulsory costing.** This gives you the power to impose costing rules right across your business, ensuring consistency and maintaining your grip on budgets.
- **Centralised information.** With this feature you have all the key dynamics itemised in one place, giving you the complete picture and ensuring you don't become over exposed.
- **Integrated budgeting.** This means both cost and revenue budgets appear in a form where inter-related elements are clear. Also, this feature should give you a stakeholder sign-off procedure, along with transparent snapshots of budgets at any given time.
- **Work in progress analysis.** This gives users at all levels insights that enable them to perform appropriately, accurately and without delay, while keeping everyone in the loop.





## Projects

If the majority of your operations are project-based, here are two fundamental functions that you must be sure your software can deliver:

- **Timesheets.** Time is money, so you need easy access to timesheets in order to track hours against progress, ensuring that budgets can be structured or amended as appropriate.
- **Resource scheduling.** Whether it is people, equipment or floor space, you need to be able to co-ordinate resources centrally in a user-friendly way.

**Real time Project Costs.** Keeping projects on track means having the ability to understand all projects costs. Whether these costs are actual, projected or committed, your project system should be able to provide this information.

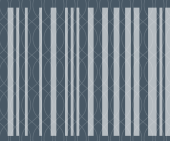
## Expenses

If it is common for staff to claim expenses, here are two important functions your financial software must be able to perform in order to make the process clearer and save time:

- **Define expense types.** Good financial software will allow you to categorise expenses according to things like VAT liability and market fluctuations, for example. You should also look for solutions that will account against cost centres and project. It is important not only to track expenses that are chargeable back to your customers and clients, but also understand non-recoverable expense types.
- **Authorised reimbursements.** Once a claim has been submitted to the system and has passed all the filters you have set, it will then be flagged immediately to whoever gives final authorisation.





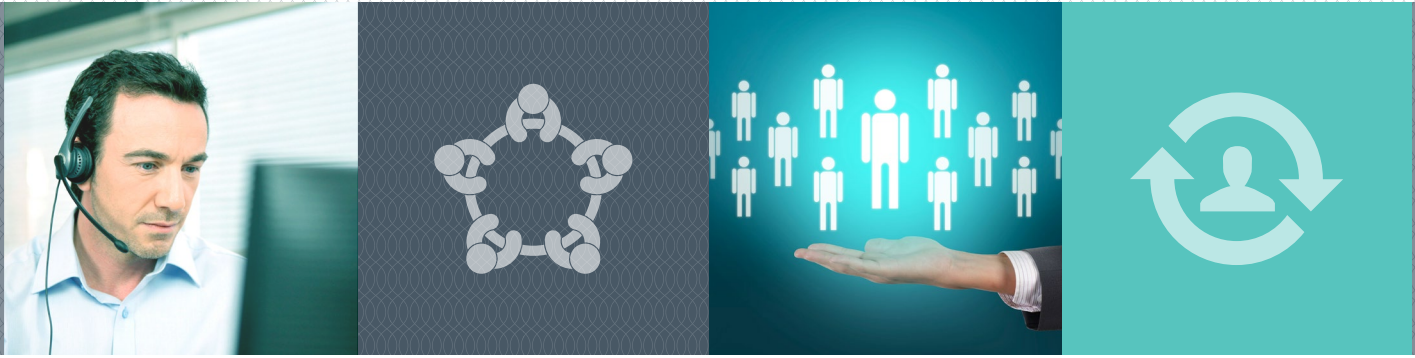


## Purchasing

It is vital that everyone in your organisation's supply chain has both visibility and the appropriate level of control over purchasing. After all, unnecessary stock holding or asset acquisition will restrict your cash flow. Therefore you should challenge any prospective software vendor on the following points:

- **Purchase ledger.** This is a core part of any system. Make sure your new software can build up a central database of supplier information, handle different formats and provide a reliable audit trail, as well as automate remittance advice, BACS payments and cheques.
- **Purchase analysis matrix (PAM).** A PAM enables analysis codes to be selected automatically as purchase orders are being raised. Importantly, you decide how the codes are formulated and the level of detail that is recorded.
- **Purchase requests.** Because many staff will be unfamiliar with purchasing formalities, a good financial system will give them the opportunity to make informal requests for items. These requests can then be reviewed, approved or rejected by the appropriate person.
- **Purchase order processing.** You should be able to see everything you have ordered and also what has been delivered, along with any problems related to codes. Plus, with full system integration you will see your expenditure commitments reflected in your costings.
- **The complete purchase to pay cycle.** The complete cycle should be streamlined depending on the size of your business. One option is barcoding, which will eliminate the need to rekey purchase invoices. Alternatively you could choose a full optical character recognition (OCR) method, which can pay dividends depending on the scale of your purchasing activities.





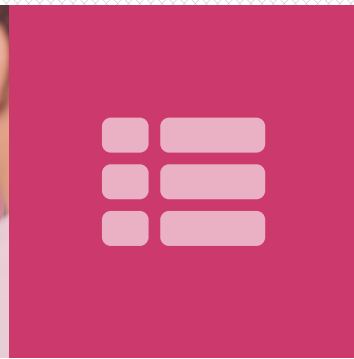
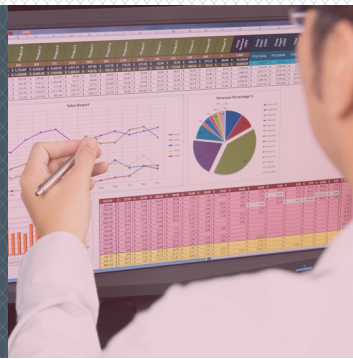
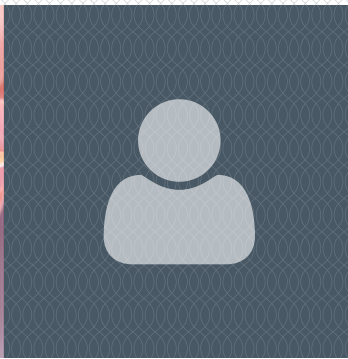
## Customer Relationship Management (CRM)

CRM is one of the most important business software functions. Without enough customers your very existence is under threat. That is why you need a system that understands your customers and accurately anticipates their demands and expectations. In all, a good CRM solution will provide a full close loop on all your sales and marketing activities.

Here are the key areas to consider:

- **Service and support.** Your sales and support effort is fundamental to whether customers return. With the right system in place you can easily refer to a customer's history while you have them on the phone or when they visit.
- **Marketing.** With a fully joined-up system you can collate and filter all information by customer demographic and purchasing behaviour, making your marketing campaigns more targeted.
- **Telesales.** This area of operations enables you to turn prospects into solid leads. Modern software systems enable you to monitor the customer recruitment process, tying it in with marketing, and also helping you to evaluate performance.
- **Sales force automation.** This means that your sales staff are straight onto their next lead instead of being held up by administration.





## Billing and Sales

Billing and sales operations give your organisation the oxygen of financial liquidity. Inconsistencies and errors in these processes both annoy customers and take time to rectify. To ensure these vital tasks are performed with minimal fuss, you need a system that keeps it clear and simple.

Here are the main areas to scrutinise:

- **Sales ledger.** It is an advantage to have a sales ledger that has supplementary information just a click away. This will ensure you always understand the bigger picture. Supplementary information usually includes contact data, attached documents, and also a synopsis of the customer's buying profile. A buying profile details products bought, repeat business and your profit margin on each transaction.
- **Order processing.** You need a fast and easy way to process orders to avoid losing ground in terms of efficiency. Any good system will allow you to attribute price bands, discount structures and different payment terms at the touch of a button. It is also an advantage to have a system that can convert preliminary documents straight into live orders without any re-keying.
- **Sales analysis matrix.** This is the easiest way to analyse your sales activity. It uses a code system that you set yourself and leads to quick and accurate feedback.
- **Consolidated orders.** Look for a system that can easily identify when a customer has placed multiple orders. As a result, all paperwork can be consolidated into as few documents as possible.

**Notifications.** It is important for key members of your team to understand when orders are placed and converted. Your business software should be able to automate key notifications to users by either email or text.







## Stock management

If your organisation holds stock of any type then you need a system that can account, analyse and report on all the critical aspects. This is because holding too much stock is as bad for business as holding too little.

Here are some stock issues that a good system can handle easily:

- **Sub-analysis.** You should look for an intuitive system that reports on stock quantities at stock category level. This will ensure that any shortcomings are corrected before they impact on other stockholding or operations.
- **Bar codes and serial numbers.** Nowadays it is commonplace to track items by stock record, customer and supplier. Using barcodes and serial numbers are the two main ways to easily achieve this.
- **Logistical costs.** Make sure your system tracks any additional costs associated with shipping, storage and import duties. Failure to factor in these costs day-by-day will skew your figures, reducing your ability to make sound financial decisions.
- **Price matrix.** This enables you to store all necessary combinations of customer/product/distance variables. Effective use of a price matrix reduces the need for re-keying and the time it takes to place orders.
- **Stock allocation.** Any good system can let you reserve items using a stock allocation feature. This also means that the system should be able to provide stock calculations that suit your business, for example "first in, first out" (FIFO). Furthermore, it gives you the ability to assign bulks of stock to different regions, which minimises time spent picking and packing.
- **Stock updating.** This practice means that as soon as stock is sold it is automatically reordered to ensure you never run short. The function also keeps track of your stock's value.
- **Stock forecasting.** This function brings together data from across your system to graphically depict stock holding, as well as anticipate and flag any potential for overstocking or understocking. For example, the system may identify a seasonal demand based on last year's data.





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Username

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## Payroll

It is common for large and medium sized organisations to have a dedicated module for payroll within its financial software package.

Here are the main functions to tick off:

- **Legal compliance.** You will save time by making sure your system is 100% HMRC compliant. In addition, any good software vendor will offer you free updates that take account of legislative changes.
- **Employee records.** Make sure your new software can store and update employees' records. These records should include details of contracts.
- **E-payslips.** Password protected electronic payslips will reduce security risks, paperwork and delivery time.
- **Absence.** A modern system will enable you to quickly appreciate and assess the extent and frequency of absence from work, removing the need for time-consuming investigations.
- **Automatic enrolment.** This is the Government's new initiative to get employees and employers paying into pension funds. You should make sure that any new system can easily handle all pension-related tasks.

So that's **Part 2** of our guide to choosing the right financial solution. Remember, the rigorous tests outlined here will determine whether a system is the right one for your organisation going forward. When you are making your final decision continually ask yourself whether the proposed solution comes up to your required standards.

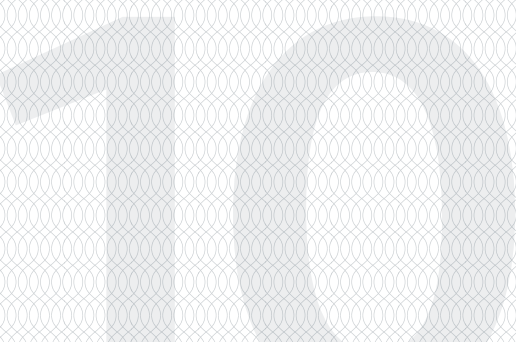


## Who are we?

Enhanced is one of the South's fastest growing business technology consultancies. Founded in 1994 and based in Poole, Dorset, Enhanced works with companies who believe that technology is at the core of their business growth.

Our mission is to give you an exceptional service. As national award winners for our customer service and support, we continue to attract a diverse range of organisations. These include: distribution companies, firms offering professional services, retail businesses, schools and charities.

Our team takes the time to really understand your organisation and works closely with you from day one to help you achieve your goals. We also deliver first-class aftercare in the form of expert advice, training and support.





## Contact us

To discover more about what we can do  
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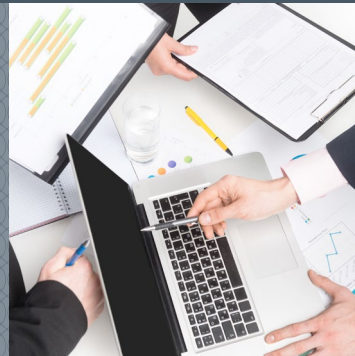
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