



A guide to choosing the right financial solution

Whitepaper: Part 1



Is it time for a change?

At Enhanced we understand that changing your financial software and selecting a new vendor is a big decision. For a start there is the impending cost... then there is the question of any disruption.

That is why we have put together this guide, which is designed to help you consider every aspect of the decision-making process in order to make an informed choice that is an exact fit for your organisation.

Part 1 of our guide explores all the preliminary questions you need to answer. Then in **Part 2** we move on to analysing in more depth, the specific tasks your organisation must perform.

Reviewing your system

The chances are, your organisation has changed enormously over time. You have grown, diversified and learned how to operate more efficiently. Furthermore, experience has taught you that with each change, there are new challenges and complexities.

However, in many cases the one element that has not changed is the financial business solution, which can easily become dated.

But how do you decide if it is still fit for purpose?

Here are some common complaints about existing systems:

'It's unreliable, putting our operations at risk.'

'It's too slow, taking more of my time to operate than should be necessary.'

'It's so restrictive that I can't always make it do what I want.'

'It isn't integrated, which means I have to spend time doing extra administration.'

'It isn't scalable, making it a clumsy fit for our organisation.'

'It's no longer being developed, which means it's outdated and frozen in time.'

It may be some of these things; it may even be all of them. If you are committed to instituting real and meaningful change, then now is the time to follow your suspicions and gather the evidence to prove that your system is failing your organisation.





Building a case for change

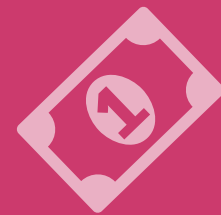
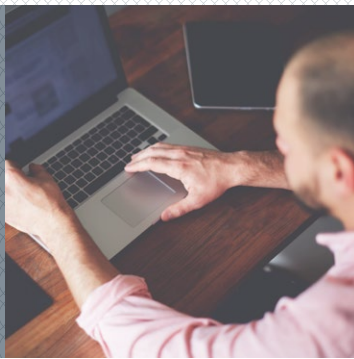
In the previous section, we flagged up some important areas to consider. Now it is time to look at your organisation more forensically to work out whether the financial solution is playing a negative role.

Here are some important dynamics to keep in mind:

- Increased waste is an indicator of a failing stock control system.
- Profit erosion can indicate a delay in processing project-based costs, which in turn leads to budget over-runs and delayed invoicing.
- Resource and time inefficiencies within the finance department can occur due to staff performing mundane, manual tasks that are not adding value.
- Lack of integration can lead to staff working in isolation, causing a lack of cohesion.
- Manual processes, duplication and repetitive data entry can lead to costly mistakes.
- Inflexible software processes and workflows can mean employees must work for the system, rather than have the system work for them.
- Delays in customer service and sales processing can result in customers going elsewhere.

All these factors can lead to a loss of confidence in the system.





Identify the financial benefits of a new system

Depending on the size of your organisation, there may be some unique financial benefits. However, most of the benefits listed below are common to all organisations.

- **Resource cost reduction.** A new system should save you time, making you less likely to need to recruit in order to manage growth.
- **Uplift in sales.** You should expect a profit boost thanks to more accurate data on products, staff and stock availability.
- **Working capital reduction.** System accuracy will ideally lead to a reduction in unnecessary stock holding, giving you more working capital.
- **Reduced system costs.** Because you will be up-to-date you can expect to save money on hardware updates and ongoing support.
- **Improved efficiencies.** Your new system will help you improve your use of assets while also improving output and margins.
- **Hidden cost savings.** There could also be unforeseen savings thanks to a new, more efficient system.

To ensure key stakeholders understand the value of changing, it is important to clearly link financial benefits to a new system. It is also worth considering non-financial benefits, such as:

- **Better access to information**
- **Improved flexibility**
- **Greater control**
- **Increased scope for customisation**
- **Superior integration**
- **Easier access to key data**
- **Enhanced scalability**
- **More consistent compliance**
- **Higher levels of staff engagement.**





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13.8	+0.72	8,400	89	8,489	11.8	0.7
8.85	0.00	115,000	771	27,25	16.2	32
10.3	+0.88	288,800	2,722	11,81	21	81
1.67	+1.83	2,208,100	3,681	581	6.85	
14.3	-1.38	300	9	8,220	27.63	1.32
1.7	+0.58	5,808,200	9,499	2,674	15.03	0.54
4.12	+4.57	16,190,800	65,088	1,111	149	1.59
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33	0.00	2,645,000	87,459	78,777	11.31	2.82
24.3	-2.02	3,450,800	85,206	25,26	42.11	1.85
8.25	-4.52	192,500	1,622	1,121	12.01	2.83
5.2	-0.95	18,838,000	97,930	8,814	25.2	2.90
12.9	-2.27	2,680,400	34,830	10,320	1.20	
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Objection handling

It is common to encounter resistance to change within an organisation. Here is a rundown of the most common objections, along with persuasive submissions to counter them:

'We can't afford the downtime.'

A good software vendor will work with your organisation at every stage to ensure there is maximum functionality during the installation and migration processes.

'A tailored system is too big for us.'

The vendor will discuss all the options and base the new system on standard modules. These can then be tailored and scaled to meet exact requirements.

'Our users like our system.'

Users will like the new system even more. For example, it will be much more intuitive, accurately anticipating what the user is doing. As a result, users will get to grips with it quickly.



Sourcing potential vendors

By now you have built a case for a new system and won over the naysayers. You may also understand more of your existing system's weaknesses. All this is useful when thinking about the objectives your new financial solution must fulfil. Now it is time to think about how to find a potential vendor. Here are some important tips:

- **Search the internet.** Add key words like 'manufacturing' or 'not-for-profit' to generic 'business software' searches. You could also try using www.evaluationcentre.com for direct software comparison.
- **Think about UK-authored software.** If your organisation runs its finances in the UK you will have no choice.
- **Look out for accredited vendors.** In particular look for accreditation from leading corporations like Microsoft, BASDA and the ICAEW.
- **Research case studies and references.** These will help prove or disprove that a vendor has the right experience.
- **Ask a trusted accountant or consultant.** His or her input could prove pivotal.

Send out a request for information

You should soon be able to shortlist some potential vendors. It is now time to contact them with a request for information based on your list of requirements. You should include specific questions like 'Are you a UK-authored system?' and 'How many systems have you installed that are similar to the one we want?'

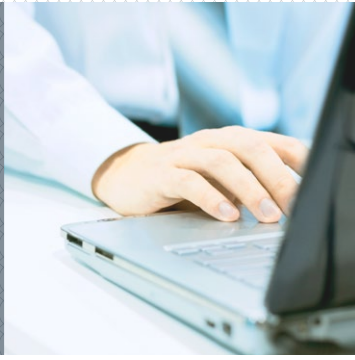
A good vendor should then follow each of these stages:

- Acknowledge receipt
- Confirm response date
- Clarify any questions
- Return a clear and coherent response on time.

Towards the end of this stage you will need to set up a scoring system in order to rate your potential vendors against your original request for information. This will enable you to create your shortlist.

Remember: Never be bullied into any meetings until you have received all the information and are ready to include a prospective vendor in your process. A good vendor will request a fact finding meeting before demonstrating any software.





Refine your shortlist

You should soon be at the point where you can narrow your shortlist. To help you do this, here are some basic functions and capabilities that your vendor and software should be able to provide:

Vendor:

- Bespoke customisation options
- Coherent planning for future modifications
- Proactive ideas for network integration.

Software:

- Auditability
- Multi-currency and multi-language capabilities
- Data protection compliance
- Real-time reporting.

- How easy is it to access reports, data and key information held within the system?
- Can a user amend reports without technical skills?
- Is the system scalable in line with business growth, and is it futureproof?

Assessing the vendor approach

During the demonstration, you need to assess the vendor to ensure they demonstrate the following:

- **Credibility and experience.** The vendor must show they have a wealth of experience, both in your industry and with the type of system you want.
- **Professionalism.** The demonstration should be clear and concise. Any questions you ask must be answered fully and convincingly.
- **Meticulous approach.** The vendor should demonstrate a full understanding of your entire organisation. After all, the system must be structured around your core business processes.

Arrange a demonstration

With your refined shortlist in hand, it is time to contact the vendors and request a product demonstration. Here is a list of questions to have in mind during the meeting.

- On what database platform is the software built? This is important when considering security, integration and scalability.



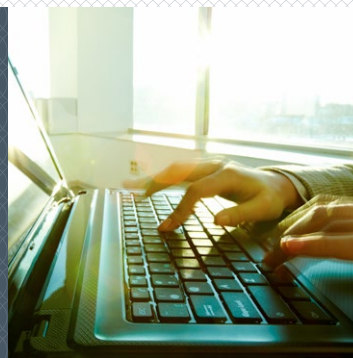


Final checks

With a decision drawing nearer, it is time to perform a final checklist that assesses your vendor against the criteria below. You must be confident that any vendor can undertake the following:

- **Fact finding.** If the vendor neglects to do their homework on your organisation then you should strike them off the list.
- **Business needs analysis (consultancy).** This enables the vendor to determine where changes need to be made and which solutions will have the greatest impact.
- **Project management.** The best providers will offer a range of project management services for new installations, upgrades and system development.
- **Implementation.** This needs to be done in the minimum amount of time and with the least amount of disruption. How does the vendor plan to achieve this?
- **Software configuration.** As soon as the new system has been implemented it must be configured to your exact needs swiftly and without disruption.
- **Report writing.** Good systems come with a variety of conventional and 'out the box' reports as standard. These cover statement reports and cash flow reports, as well as standard sales and purchase reports for debtors and creditors.
- **Training.** Providers should propose a range of structured training programmes across each department. These will ensure staff members are both confident and competent in operating the new system.
- **Post-installation review.** After a suitable period, vendors should return to ensure the system is running smoothly and meeting all key organisational requirements.
- **Support.** An annual support contract should come as standard. This should provide updated versions of the software and enhancements, along with new features to meet legislative changes. It should also include a dedicated support and advice service.





What to expect during the implementation process

To give you an idea of what to expect, here are the key stages of good implementation:

- **Business needs analysis.** As mentioned previously, the provider should review your business processes in detail, suggesting any appropriate enhancements.
- **System configuration.** This is to ensure the system gives you the ability to perform all necessary processes.
- **Final customisation.** All custom documentation and/or report writing should be completed at this stage.
- **Training workshop.** This introduces key users to the solution.
- **Piloting.** Once trained, key users should have the confidence to roll out what they have learned across your organisation.
- **Live date.** This is set once all key users have been fully trained.
- **Extended consultancy.** Providers should extend consultancy to cover the 'go live' period, ensuring the solution functions smoothly post launch.
- **Project review.** Your vendor should conduct this as part of their service to ensure the new system meets every organisational requirement.

Examine the contract

Once you have made your decision on a vendor, you will need to formalise the agreement in a contract. Beware of hidden costs such as mileage, expenses etc...

It is then time to get the implementation underway and look forward to a more effective financial business system.

Don't forget: in Part 2 of this guide we look carefully at specific processes within your organisation, and also how to ensure your new system is an exact fit.





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.



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