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## **The Common Signals Your Organization Has Outgrown QuickBooks and How To Upgrade to an ERP System Safely.**

If your company is still using legacy accounting software, you're likely missing out on productivity, increased revenue, and the ability to grow your business.

What if your business experienced a data breach, a virus or a server crash? That data has now become inaccessible. If you're operating under a legacy system, the cost to convert under those events can be costly to restore and repair. That would be catastrophic for your business.

Why take the risk? You say, why fix it if it's not broke? Concerns that come across your mind are incurred costs to upgrade and transferring data to a new program.

***Gartner Research predicts by the end of 2019, 30% of enterprises will have deployed SD-WAN technology. Predicting SD-WAN Adoption by Andrew Lerner.***

Older versions of QuickBooks and Xero do not operate as a cloud based system. Legacy versions of the software are based on a local hosting. Local hosting is a Local Area Network. Larger enterprises are hosted on a Wide Area Network. While there are some privacy advantages to local hosting, the advantages far outweigh the disadvantages with a cloud structure. One key feature of WAN is the ability to access data from anywhere outside the office.

When businesses start to expand, a more diversified solution far beyond just the basic parameters of accounting software is recommended. Software companies like NetSuite, Oracle ERP Cloud, and Sage3 can scale with businesses as they grow.

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## **Reasons to Upgrade to an ERP System**

There are many reasons to upgrade. First, you'll get blazing performance. Additionally, you'll get proven stability, which means enhancing usability and quality.

As your business grows, there is room to expand, making hardware extra efficient. Adding users is another advantage. Front- and back-office processes can be automated to increase workflow. You will be able to automate and perform complete business management tasks that combine functions of industry specific customizations, product planning, sales, and marketing

You'll be able to create additional detailed reports designed for specific types of businesses. Customization is easy with the ability to add custom data fields. Vendor centers can be added so you have a birds-eye view of vendor balances and transaction histories. With an ERP system you'll be able to spot irregularities easier, offering proficiency in managing time.

The advantage of an ERP upgrade is the ability to navigate complex business to streamline processes, centralize data, and provide workflow automation. Migrating over to an ERP solution speeds up productivity, and increases functionality with additional features, making it easier to give clients the best service.

QuickBooks ERP software allows increased control over user permissions, by adding or restricting users and defining roles. It has too many limits for large organizations seeking more capabilities. It does not offer LIFO, expense reporting, and management, and is self-hosted.

David W. Cearley Vice President and Gartner Fellow, Gartner Research quotes, *“To maximize the value of cloud investments, CIOs must develop a comprehensive cloud strategy for their organizations. As part of the strategy, CIOs must educate their CEOs and boards of directors about the need to invest in cloud as a style of computing that drives greater speed, agility and innovation.”*

## **The Warning Signs It’s Time to Upgrade**

Have you noticed slower computing speeds when using your software? When data limits are creeping up to its capacity, the program runs slow.

- Growing your business is a challenge. You’re not gaining steam against competitors.
- You need better organization of data.
- The ability to work remotely would be an advantage.
- You spend too much time in Excel.
- The staff does not have the ability to produce higher level reports.
- You have errors in calculations.
- The business has used Intuit for over four years and QuickBooks no longer supports the program.
- The upgrade on my software has passed, and no longer qualifies for a discount.
- Files are getting larger and your system is running slow.
- The company’s operating system is changing.
- You’re calling for service and support too often.

## **Pitfalls – Avoiding the Minefields**

QuickBooks and Xero offer the best in class for generally accepted accounting principles (GAAP) - basic accounting needs. Depending on which industry you are in, you may be experiencing limited capabilities with your current accounting software. Mistakes can cost the organization a loss of revenue with the basic software packages and legacy products.

Sub-ledgers and internal G/L should be balanced to QuickBooks before the migration. Some information will not convert over in the implementation process from QuickBooks desktop. This would include, reconciliation reports, recurring credit card charges, reports and audit trails.

Before hosting with any company, perform due diligence to understand the capabilities of the add-on. It's advised go through a full demo with the developer that's specified to the needs of your business. Don't just rely on reviews.

Compare the fine print when comparing ERP's. Ask questions if the software uses third-party apps. If something goes wrong, what supported and what is not supported, and under what terms? Ask who provides the integration and it's done by the company or are they outsourced to another company? Find out what is covered if something goes wrong.

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## **Tips to Evaluate The Right ERP System For Your Company's Needs**

Upgrading to an ERP accounting solution from basic accounting software is simpler than ever.

Enterprise resource planning (ERP) software is the solution for companies looking to streamline their back-end process. ERP software allows you customize various features. An ERP system is not just for enterprise businesses anymore. ERP Solutions are available for small and medium-size businesses so they can efficiently perform the operation of daily tasks. This allows the company to be more cost-effective and productive.

Financial management functioning modules allow the ability to organize accounting functions from department to department, within a centralized system to monitor cash flow.

- In the evaluation stage team members from all departments should be on board. Upper management should be on board to talk about strategies and potential roadblocks to insure a smoother transition.
- The program should be accessible on phones and tablets for those needing remote access.
- Make sure all hardware is up to date and you have run the latest operating system updates. You don't want to install and then get a quirky update that affects any implementation.
- Talk to others who went through the process of an ERP upgrade.

### **Software Demonstration**

Companies offer different options to see the software in action. A log in may be given with a password to perform a self-led demo. This is a good way to see some features and how the system navigates for ease of use. You may be able to interact within the demo and use the software with a very limited level of features.

Video presentations can be an option. Key highlights of the best functioning task are usually offered, but offer no interaction. The best way is to have an on-site demo by the vendor at your location. Team members can be brought in and questions can be asked during the presentation. Key concerns are easily

brought up during the demonstration, allowing you to make a more informed decision, especially if you have the stake holders in the room.

### **The Contract**

The contract can be written where the liability is slanted towards the purchaser. The contract will tell you how risk averse the vendor is. Check for litigations against any vendor that have affected the usability of the software and have inflicted harm to a business. It's important to understand what responsibilities the vendor is responsible for.

Clauses in the contract will include what the software will do, it's capabilities and limitations. Look to see if the terms change or don't change as you scale up and deploy additional functionalities. Don't overlook data recovery clauses if something goes wrong. Ask, who is responsible and what costs are involved for support? Check for a reversibility clause. If you cancel the service, you want to capture all of data.

### **What Features Will Improve My Workflow?**

When implementing a new ERP accounting system, you'll need to evaluate the functionality the software and how it will grow with the needs of the business.

You face many challenges in your industry, so choosing a portfolio of solutions that can help you run efficiently at top speed will make a difference in the profit margins. Upgrading to a financial management system to run your business is one of the most important decisions you will make.

As your business grows, you will need to rely on a system that provides the process of unifying data to allow employees and management to collaborate between departments.

Purchasing, inventory and distribution, delivery in reporting, supplier collaboration, accounting and financials, and a CRM are important features within the module. This would cover the required basics to automate the business.

One of the biggest features is enhanced data security because data stored in the cloud is continuously backed up in a secured location allowing you to better process workflow.

### **What to Look for In Reports**

When utilizing reporting tools you should be able to drill down into reports to evaluate operational data and the results from it. It should provide integrated analytics and the ability to aggregate data from different sources. The accuracy of reports should have the ability to be generated in a timely manner.

Business Intelligence (BI) data reporting is best analyzed from ERP systems. The insights from the data collectively work together allowing you to see how the business is performing, and where improvements

can be made. All the information is viewed with the ease of online analytical processing (OLAP) Digital dashboards, which ERP systems deploy.

### **The Private Cloud**

Where software will sit is an important part of the upgrade process to an ERP. When software sits in the cloud, you have an advantage of flexibility with regard to the speed your business has to grow.

When hosting on the cloud, higher-level security protocols are in place to ensure data protection. For cost efficiency, the most common application businesses are running are SaaS programs. The vendor is managing the applications, servers, data storage, networking, and the operating systems. If customers are accessing your applications, using a private cloud gives direct control of cloud infrastructure

Your company will notice significant cost savings on IT support hosting on the cloud including considerable savings on capital costs through minimization in spending on equipment, than self-hosting in-house server management.

### **ERP Webhosting**

Cloud deployments are safe. There is also a financial benefit hosting in the cloud as you have flexibility with a pay-as-you-go system. It's also easier to access future upgrades. ERP with web hosting allows all staff to work remotely. Employees can even work together in real time from a distance.

According to Sage, a leader in the accounting and financial services software industry, their [data report](#) found - "Sixty percent of survey respondents have their heads in the cloud. The clear majority of accountants believe that cloud technology makes their role easier by enabling collaboration with clients and improving service offerings."

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## **Common ERP Mistakes to Avoid**

When making the switch it's important to consider industry-specific solutions the SaaS Provider offers. Customization and how the platform will work with your business are important. Be aware that it is not a good idea to start over customizing the software. You'll run into problems with functionality and you could disrupt the cohesiveness of various modules working correctly. Too much customization will disrupt vendor updates, decreasing the stability in the software.

Don't plan a huge project at the time of a new install. Testing the ERP implementation process is important to make sure it's running smoothly. You will need time to minimize any disruptions and grasp the new change. Have a process in plan. Make sure the project manager understands the requirement building aspect for data migration.

Automatic renewal clause known as the "Evergreen Clause" in contracts are based on expiration dates of service before renewal. Unless you cancel within the time frame specified in the contract to cancel, the

service will just roll over month to month or yearly. If you want to get out of that service the check to see if there is a 30-90-Day Evergreen clause. If you don't cancel the service within that time frame, the contract will rollover and you will be charged.

## **Factors to Consider When Switching to an ERP**

### **Costs**

Cost outlay is always a concern when making a change to upgrade. In some cases there is a lot of data porting to the new software. You should hire an expert to perform the switch if you already do not administer an IT employee who can manage the project.

### **Service and Support**

During the migration, support channels should be available with the provider. Most companies offer free support plans during the migration process. ERP's companies have many support tools available for your organization. The first years should be free.

Paid maintenance contracts should be available to protect the cost of additional service needs after the first year. Additional support tools available are online chat, community forums, email, IM and phone support. Ask the vendor if they can cap the cost in subsequent years into the maintenance contract. Most vendors make a handsome profit on support contracts.

### **Training for Employees**

Getting everything up and running involves training for the staff. Check with the vendor if any on-site training is included in the cost. Hiring an outside expert who is experienced with software migration, implementation, and upgrades is recommended.

### **Conclusion**

The Bottom Line- Don't fear new technologies, embrace them. Many clients and associates in your industry are using updated efficient ERP solutions to manage their business.

Quoted by the author by John P. Kotter of Leading Change -Why Transformation Efforts Fail "By understanding the stages of change and the pitfalls unique to each stage, you boost your chances of a successful transformation. The payoff? The organization flexes with tectonic shifts in competitors, markets, and technologies—leaving rivals far behind."

### **Do What Your Clients Expect**

Many of your clients are using modern new technologies to run their businesses. They expect who they hire to automate their tools as well. Once you have mastered the upgrades to an ERP platform, you can offer additional services to clients.

Clients prefer their accounting professionals to understand their business models and the technologies they use. It's not just about the numbers anymore. When you have the ability to offer better solutions for clients by implementing the latest technology, you'll gain trust with clients and have better relationships.

Use (xxx)to help evaluate and execute your ERP strategy and implementation. See how quickly you can connect with top finance experts within our exclusive network across multiple industries. We want to know about you and your business. Visit this link here to get additional information.