

# The FDs' Bible:

## A guide to choosing and implementing financial software: Part 2

An information guide from Access



## Introduction

The decision to upgrade or change your software is a big one, and can be daunting given the amount of choice available. With this in mind, we've created a two-part guide, designed to break down the key stages of the selection process into easy steps.

This second part of our **FDs' Bible** will help you decide which functionality will add value to your business system. It's split into the main operational areas - purchasing, sales, reporting and so on - with the relevant functionality explained in each. Feel free to navigate directly to the area that interests you, or read it from start to finish. By the end, you will be able to talk confidently with vendors about your business needs.

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## Reporting & BI

The aim of BI (Business Intelligence) functionality is to gather, store, analyse and provide access to data, and present it in a useful manner. Good BI software will help your organisation improve performance by helping staff to make better business decisions. This section introduces some of the key tools in this area.

### Dashboard reporting

Dashboards are designed to communicate real-time information about key business activities (such as targets, performance levels, movement and trends) across the whole business.

These tools communicate this information visually (e.g. using charts, graphs and stockmarket-style indicators), making data quick to grasp without any need for detailed statistical knowledge. This information can be viewed internally, or made publicly available if required (for example, to your customers or stakeholders via your website).

Because dashboard tools are aimed at many users, it makes sense to choose a browser-based version. This makes these tools both easy to access (e.g. at home or on the move), but cost-effective to deploy.

Dashboard tools should enable you to configure different data views and deploy them to as many different individuals and/or teams as you need. This ensures people can cut straight to the most relevant information and take instant action over anything that requires investigation. Check the solution you choose comes with fully secure, multi-level password protection for peace of mind over your business information.

### Integration with Microsoft Office

Another popular form of BI, two-way links with Microsoft Office enable you and your staff to work on accounts data from the familiarity of Excel, Outlook and Word. Here are some of the functions to look out for:

### Outlook Today

Choose a solution enabling you to configure your Outlook Today screen to display vital accounts information and functionality. If you do so, you can carry out your daily accounts administration and management reporting tasks without leaving the Office environment.

Tasks could include the authorisation of purchase invoices, posting recurring journals, viewing your top ten customers or top ten products, and much more besides.

With this level of integration, simply clicking on a category reveals the task and all the necessary functionality you need. For example, the purchase invoice authorisation option gives you a personalised list of outstanding

invoices and the power to approve or reject them, all within a pop-up Window.

### Excel

Business and accounting software providers recognise that businesses like Excel – and provide for this by integrating their accounts packages with this industry-standard application.

Excel can be used to update and manipulate your existing accounts records; populating an Excel spreadsheet with live accounts data should take an instant, and changes to non-auditable data can then be written straight back into the accounts.

With more advanced integration, Excel posts new transactions into your system. The system may include configurable Excel templates for a range of transactions, including timesheets, journals, orders, and stock movements.

In addition, templates may be provided for building and saving multiple budgets for your customers, suppliers, stock, and nominal records. You could even maintain your price matrix (see p8) using this facility. Integration with Excel will also enable you to analyse large amounts of data using pivot tables in order to produce on demand management reports.

### Alerts

Alerts boost the effectiveness of BI applications by making others aware when something requires their attention. For example, you could ensure that your purchasing team are automatically alerted when stock falls below pre-defined levels.

Combining both alerts and workflow tools (see p6) enables you to apply rules to literally any business process, ensuring appropriate action is taken when required.

When considering alerting functionality, ensure that it accommodates the needs of the wider business e.g. if you have field-based staff, ensure they can receive alerts via their smartphone.

## Financials & accounting

Any solution should comprise the basic core of nominal, purchase and sales ledgers. In addition, good vendors will offer a wide range of complimentary tools, designed to ensure your accounts department runs as productively as possible.

Here's some of the key functionality to consider for your business:

### Asset management

These tools provide an electronic breakdown of the lifecycle of any asset within your business. By handling depreciation, disposal and revaluation automatically and making details such as maintenance and valuations easy to track, asset management should be straightforward with all information easy to find.

### Board pack tools

These functions take the hard work out of preparing formal presentation documents. By providing you with a template, you can easily gather together a wide variety of file formats from any specified source (e.g. spreadsheets, Word files, Crystal reports) and then edit the content at will.

For example, you should be able to shuffle the order in which the files appear in the board pack, add/remove documents as required and save different versions for future use. The ability to add links will also help your staff navigate to the part of the document they're interested in. Adding logos or company fonts will complete the professional feel. You should be able to save the finished pack in a standard file format for ease of distribution (e.g. PDF). Once complete, a board pack can then be subject to workflow, e.g. delivered to relevant parties to your pre-defined schedule (e.g. the day before the monthly board meeting).

### Cash flow forecasting

FDs are under more pressure than ever to establish the most accurate possible picture of their company's future financial landscape. Traditional forecasting methods rely on manual data extraction and 'layering' using applications such as Excel.

If this sounds familiar, then you'll know how time-consuming this process can be. Vendors have responded to this need by developing specialist forecasting applications, designed to give you the reports you want in a fraction of the time. By utilising robust modelling technology, the need to layer information (often with corresponding errors to the underlying data) is eliminated.

Good vendors will also incorporate 'checksums' into the mathematical formulae, indicating with flags any erroneous information. And in order that you can run "what if" scenarios, look for a package with roll forward/back functions, which make it easy to update your forecasting model.

### Credit control

These tools are designed to lighten the load associated with debt collection, enabling swift attention to the most urgent debts and increasing cash flow into the business. Good providers will make it easy to prioritise and chase debt, providing for example; the ability to search aged debtors by filters of your choice, an automated escalation process; the ability to re-send copy invoices and statements via email and full visibility of notes and correspondence at every stage.

### Sales and purchase contra

This function removes the frustration of cheques crossing in the post and unnecessary paperwork by enabling you to 'contra' transactions with customers who are also suppliers. This can also be used within a Group trading structure to reduce administration and speed internal procedures.

### Automated bank reconciliation

A must-have for companies with high volumes of transactions to process. By importing unreconciled transactions from any of the major clearing banks, re-keying (and subsequent errors) are hugely reduced. The system will then find matches based on your pre-defined rules, which you can then reconcile either singly or in bulk. Any erroneous information is flagged for your immediate attention to ensure nothing slips through the net.

## Green accounting

In April 2010, 5,000 of the UK's largest companies will be required to report on their carbon emissions. And in time, driven both by further legislation and pressures within the supply chain, the ability to report on carbon emissions will become an inevitable requirement for all companies.

### Available tools

Whether your business is the first in the legislative firing line or not, simply knowing how much carbon you're using - and taking steps to reduce it - can help you achieve some quick efficiency gains. With this in mind, software vendors have made available numerous 'carbon footprint' tools, all varying in their methodology and cost.

### Consultancy

For the largest businesses there are many consultancy companies who will provide carbon footprint measurement services. There are also a number of software tools that enable a company to create a model of their structure and behaviour, and derive an estimated carbon footprint figure from that information.

### Integrated with accounts

For medium-sized companies, a logical approach is to choose a solution that enables carbon emissions data to be gathered alongside accounts transactions. Where a company's main carbon emissions are emanating from use of power, staff travel costs, and distribution costs, then this type of technology can deliver detailed CO<sub>2</sub> reporting.

This way, accounts staff only have to enter a couple of extra fields of data when posting expense claims, purchase invoices or journals. As an example, when entering an electricity bill, the user may be prompted to enter the units consumed in order that the software can track the associated carbon emission.

Similarly either entering miles travelled, or the litres of fuel purchased on an expense claim, can result in the carbon being calculated, tracked, and reported on.

A further benefit of tracking carbon as an integrated part of the accounts system is that the company can have real time or period reporting. This will enable your company to analyse carbon usage by cost centre, and to set budgets, against which carbon reduction performance can be tracked.

### Specialist requirements

If your company generates CO<sub>2</sub> as a result of specific chemical processes, e.g. in manufacturing, then additional carbon journals would need to be entered to provide the complete carbon footprint. In this case, you should consider a solution designed for the specific needs of your industry.

### Costing

Costing functionality isn't just for project-based businesses. A flexible system gives you control over any cost centre of your choice, with sub-analysis in as much detail as you require. Departmental budgets, promotional campaigns, telephone costs and expenses are just some of the areas that you could target.

For the most complete and up-to-date view of your actual and committed costs, a system that integrates with your other applications is a must. This ensures data generated in (for example), purchase orders, invoices, journals, timesheets and expenses claims can enter into your costing functionality without re-keying. Here's some other elements that you may want to consider when weighing up costing functionality:

#### Compulsory costing

This feature enables you to further tighten your hold over budgets by applying costing rules across the entire system. For example, ensuring that every selected transaction type (including sales and purchase orders and VAT journals) updates a specific project/s. Alternatively, you could limit compulsory costing to specific analysis codes.

In either case, the software should enable allocation to be carried out on a line-by-line basis to ensure accuracy.

#### Centralised information

Good project-based functionality ensures that each project record holds a mine of information, from start and finish dates to actual costs, committed costs, and cash flow. This enables you to see your total exposure at any given time, with P&L reports based on invoiced or committed costs.

You should be able to analyse projects where costs are incurred over a number of cost centres, with the facility to set up hierarchical cost centre structure with multiple levels.

#### Integrated budgeting

The costing functionality you choose should cater for both cost and revenue budgets (cost centre and project level) and allow budgets to be entered directly, calculated from component elements, or derived from associated resource plans.

Ideally, the functionality should provide an optional stakeholder signoff procedure and once in place, you should be able to profile budgets either weekly or monthly across the lifetime of the project.

#### WIP analysis

Be sure to choose software that caters for all standard methods of WIP calculation, and that makes this information available to a broad range of business users. For example, off-site project managers would benefit from the ability to view WIP reports online.

### Projects

Business and accounting software should easily cope with the complex requirements of heavily project-based organisations. Check out these functions for improving your project profitability and overall office productivity.

### Timesheets

Timesheets should be used to manage and track work hours against each project. Timesheet approval could be a key part of your operation, and getting approvals through quickly better enables an accurate view of project profitability at any time. A system providing a defined workflow for timesheets greatly speeds up this process, as does the availability of browser-based remote access that is quick and easy to use.

A second benefit is the elimination of manual re-keying of information from hard copy timesheets into the system. This is both time-consuming and open to user error, creating queries and more unnecessary work before hours can be properly allocated.

The software solution should allow you to create timesheets on a weekly or monthly basis and give you the ability to view these historically. Accurate timesheet and expense information allows you to efficiently cost and analyse recorded time. This guarantees that all chargeable hours are recovered, so you can raise accurate invoices on a monthly basis or when each stage of the project has been completed.

#### Resource scheduling

A flexible system will let you manage a wide range of resources, from projects to people, equipment to meeting rooms. You should be able to instantly what's booked, where white space can be filled, and be able to drill-down to as much detail as you require.

For an instant snapshot of scheduled activity, choose a solution that presents the information graphically. Scheduling should be fast and intuitive, using 'drag and drop' for example. Having a web-based solution will enable you to deploy this information to a large number of on and off-site users, who can view their commitments when and wherever they have an internet connection.

## Expenses

Managing expenses, whether associated with timesheets or not, is an integral part of most businesses. By providing your staff with a simple, electronic system to capture this information, you eliminate the risk of error-prone data duplication. Good systems will allow for an inbuilt authorisation workflow, ensuring all expenses claims undergo the relevant checks before being sent through the system for prompt reimbursement.

### Expense types

By defining expense types within the software, your organisation can classify and control what format of expenses are allowed by any individual. The ability to specify and control elements such as VAT liability, project information, rates and quantities means that every type of real-world expense can be catered for.

### Authorisation

The software should enable authorisations to be set up in a number of ways depending on the type of expenses that you manage. Alert functionality is useful since it lets approvers know in real-time when authorisations are required, via email or SMS.

## Purchasing

When making your choice of system, be sure to check that it will deliver the control and visibility of procurement that you need. A number of solutions enable you to define your workflows within the process, prompting the next person in the approval chain to look at a purchase request or an order, and either approve or decline it.

With the increasing prevalence of remote working, you may require a fully web-enabled system giving secure access via a standard web browser. This functionality should enable both buyers and requisitioners to place orders on the system, via a browser.

### Purchase ledger

This core part of your system enables you to view your supplier spend instantly (for up to 39 periods in good systems).

To build up a central system for detailed supplier information, each record should be capable of holding an unlimited number of contacts, addresses, and attached documents.

Remember to check that full purchase analysis is available in whichever format you require. If you often question invoices, ensure that the system you choose allows invoices to be batched pending approval, or placed 'in dispute' until cleared for payment.

Also ensure that, on posting, the supplier record and nominal ledger are automatically updated and a secure audit trail is created. In this way, suggested, advance, and part payments are handled with ease, as are deposits and cash allocations.

For speed and accuracy, choose a system that fully automates remittance advice notes, cheques, and BACS payments.

### Purchase analysis matrix

This functionality enables you to automate selection of the correct analysis codes as purchase orders are being raised. This removes a substantial burden from your staff – speeding up the entry of new purchase orders and helping to reduce errors.

The appropriate code is chosen using a combination of factors, such as type of supplier and type of product or service. You decide which analysis codes feed into which nominal categories and the level of detail passing through.

Because each analysis record can be configured to update a specific nominal category, building an accurate and comprehensive picture of all your procurement activity becomes effortless.

### Purchase requests

Many of your staff may be unfamiliar with key aspects of the procurement process (such as product codes and minimum order quantities), but you can still provide them with an efficient, computerised purchasing system.

Such solutions enable any member of staff to put in a purchase request themselves (i.e. without having to go via a manager). A good vendor will provide a simple on-screen form to ensure the information is captured and processed according to your pre-defined rules.

For example, your purchase request form could provide drop-down menus enabling easy selection of preferred supplier/s. To ensure purchases fall within defined budgets, choose a solution that automatically compares individual orders to pre-set spending limits and, where the order fails to meet your criteria, instigate on-screen warnings or force an alternative workflow process.

As well as empowering staff to initiate purchases they need, such systems eliminate the need for paper-based administration, improve traceability and give your purchasing manager a far greater degree of control.

### Purchase order processing

Establishing a clear commitment with your suppliers and monitoring their performance enables you to build a strong and flexible operation.

A purchase order processing module enables you to see the items or services ordered and delivered, check that purchase invoices are correctly priced, and print goods received notes, if required. Reports can show the value of goods and services received but not invoiced (and vice versa), so you can accrue for your commitments. With a fully integrated system, you allocate your purchase order to a specific project and the committed costs for that project update automatically, within the costing module.

## CRM

Customer Relationship Management (CRM) solutions enable you to create a client-focused business that better understands and manages the needs and expectations of its customers.

This section examines some of the key areas in which fully integrated CRM can benefit your company.

## Marketing

A good CRM system will boost your marketing efforts, enabling you to build and monitor highly targeted campaigns. For example, you should be able to filter your data according to specific customer profiles, such as industry type, turnover and buying history.

For speed and accuracy, any subsequent responses should flow directly into the central system without any re-keying. This will enable you to analyse customer behaviour by source (e.g. do more people respond to emails or enter information via your website?) as well as ensuring a seamless transfer of prospect data. For your marketing teams, detailed analysis (such as cost-per-lead, cost-per-sale and conversion ratios) should be available on demand, enabling your business to continually monitor and improve campaign performance.

## Telesales/pipeline

This centralised prospect information should then pass instantly to the next stage of the sales process, following in-built rules to ensure effective distribution of enquiries/leads. For example, you could choose to automatically assign tasks (such as calling lists) direct to the salesperson's inbox, filtered by the proximity to their region. This enables your call centre/sales staff to constantly monitor new opportunities, while ensuring the prospect is marketed to effectively. Once the prospect is converted to a lead, a one-click update to their 'status' will ensure complete accuracy of information.

## Sales force automation

Your sales team want to focus their efforts on closing deals, not administration. And with many prospects or customers to manage, it's easy for opportunities to get overlooked. Good CRM software makes it easy for your sales teams to keep on top of key tasks by automating common processes, such as scheduling, next action and follow-up dates.

Ideally, this information should be delivered to their inbox, providing staff and managers with complete visibility of activity.

## Service & support

CRM is a valuable tool in any business where people benefit from on-demand information to customer history. For example, in the service management industry, it's essential for staff such as call centre operators and engineers to be fully informed when customers phone in, or when they attend customer sites.

As always, look for a CRM system that integrates with the overall business system, since this provides "one view of the truth", whether you're in sales and marketing, service, support or finance.

## Document management

Researchers estimate that 'unstructured data' (electronic documents, including images, email and web content) currently accounts for 80% of companies' overall data.

What's more, it's also thought that the amount of unstructured data in business is doubling every two years.<sup>1</sup> To meet the challenge, a document management system is needed - but with so many packages available (all designed to make the process of filing, storing and retrieving documents easier, and even "greener") - how do you choose one that's right?

Firstly be sure that the system has the capacity to store what you need, taking into account likely future requirements. A system with a 'virtual memory' (e.g. Microsoft SQL Server) is ideal. Also check that it supports all standard file types (and industry-specific formats if required), and that each file can be tagged using keywords to facilitate straightforward retrieval.

Security is obviously paramount, so when choosing a document management system, ensure that you have the option to allow/deny access at multiple levels and one that carries out automatic backups.

If you process large volumes of invoices/GRNs on a daily basis, then a "scan and match" system may be useful. Such systems will automatically generate barcodes for each document that you process. These are then attached to the document and scanned in bulk. The system then reads this information, searches for the corresponding accounts record and automatically attaches it for storage. This can save significant processing time while ensuring information is held electronically secure for future reference.

## Workflow

### Form design

These tools enable you to recreate existing (often paper-based) procedures electronically, and then make this information available as part of your business system. Process automation (combined with alerts if required) is a fundamental element of workflow. This enables you to set the rules about how data is captured, who needs to view/authorise it and to ensure that information flows smoothly from one level to the next.

The benefits of workflow forms include a reduction in paper-based administration and re-keying while providing detailed information that can be used to untap ROI in new areas of your business.

Good vendors give you the flexibility to create the design of the form itself, and incorporate it into, for example, your company intranet for ease of access. Examples of workflow forms include health and safety logs, absence or new supplier requests. Flexibility is key; ensure the functionality you choose can be moulded to your precise needs and ways of working.

### Worked example

A member of staff needs to make a purchase. Because they're using a new supplier, they'll need a new code first. They log on to their intranet, locate the relevant form and enter the required details. Because the form has been designed with the end user in

mind, entering the required data is quick and easy. On submission, the form is automatically sent to the next person in the workflow, alerting the purchasing manager there's a verification required.

Having checked and approved the information, the authorised form arrives at the accounts department with all the relevant information and authorisation in place. Accounts create the new supplier record and the originator of the request can progress with their order without delay.

### **Online access**

For your remote and site-based staff, a web-powered workflow system is a must. This not only enables people to enter/view data anywhere regardless of location, but comes at an affordable cost-per-user licence.

## **Billing & sales**

### **Sales ledger**

This provides all the tools you need to profit from past experience and build stronger relationships with your customers.

A good system will provide an instant snapshot of customer turnover, with records able to support an unlimited number of contacts, addresses, and attached documents. Look for a system with user-definable sort keys so that you can select, sort, and sub-total sales data using any criteria you wish.

The best sales ledgers allow you to view transactions and outstanding orders for any period, and reprint sales orders or invoices at will.

The profit value and percentage margin for each customer is displayed, and a complete allocation history is provided. From here, advance payments, part- payments, and deposits are handled with ease.

### **Sales order processing**

Many organisations need a fast and easy system for processing sales orders. Powerful systems enable you to store multiple prices against each stock record, and allocate a price band,

discount structure, and unique payment terms to each customer. The ability to duplicate historical orders (whole or in part) will save time, and to keep on top of repeat orders, you could schedule these to repeat at weekly or monthly intervals. Profit and order history should be available by project and customer, using powerful drill-down and reporting options.

You can gain further efficiencies by ensuring that all estimates, quotations, and pro forma invoices can be converted into live orders instantly, using a single command. And for security, you can opt to have every order subjected to a full authorisation routine, including credit card validation.

### **Sales analysis matrix**

This functionality allows you to automate the selection of the correct analysis codes as sales orders are being raised.

This process removes a substantial burden from your staff – speeding the entry of new sales orders and helping to reduce errors. And because each analysis record can be configured to update a specific nominal category, building an accurate and comprehensive picture of all your sales activity is easy.

The appropriate code is usually chosen using a combination of factors, such as type of customer and type of service. You decide which analysis codes feed into which nominal categories and the level of detail that passes through.

### **Consolidated sales orders**

This functionality enables you to enter and deliver any number of orders, combining them into a single invoice without reducing the depth of your own analysis. This is the ideal way to simplify invoicing for customers that place numerous orders over a short period of time.

Use in conjunction with the 'trading groups' facility to handle the delivery and invoicing needs of complex organisations.

'Trading groups' can be built by linking subordinate customer records to a single 'head office' record. This allows you to enter and deliver individual sales orders for each sub-office, before combining them into a single head office invoice.

This means that services can be delivered to any member of the group and profitability can be analysed by individual subordinates, by head office, or by the group as a whole.

### **Revenue recognition**

Flexible billing functionality will enable you to remain fully in tune with the needs of the customer (and the needs of your business.) Look for a system that enables you to raise invoices based on cost plus and contact price, and for clarity, with costs shown as line detail or as a schedule. If you manage sub-contractors, then a system that automatically accounts for retentions and/or applications for payment is useful. This is an area which lends itself particularly well to alerts, advising when billing is due (or overdue) for control over your payments.

### **Invoice out of costing**

This feature gives you total control over the final invoiced value and the amount of information displayed. A good system can generate sales invoices from within the costing system, based upon the cost transactions posted to each job, project, and cost centre. For clarity, you should be able to show a complete cost breakdown using a variety of methods (date, type, and so on) and compile them into a single invoice covering numerous different projects.

## **Stock**

This section covers both the straightforward stock requirements required by many companies to the more specialist needs of the distribution/warehousing sector.

### **Sub analysis**

For any company with a significant stock holding, sub-analysis will

provide an intuitive system for pinpointing stock availability and reporting on stock holdings of any size and complexity.

Sub-analysis enables you to classify goods using a hierarchical structure so that you can locate and analyse by warehouse, bin location, product and size, for example. With these systems, quantity and value are tracked and consolidated for each record at every level of sub-analysis. For ease of use, each level can be described using the terminology that best suits your business.

Sub-analysis is essential for any company seeking to instigate 'just in time' (where materials are ordered in small, frequent quantities) stock management.

### **Serial numbers and bar codes**

If important for your business, make sure the system you choose enables you to track serial numbers by stock record, customer, and supplier. These systems should be able to accept data directly from bar code readers, as well as auto-stepping for rapid input of bulk serial numbers.

### **EC-SSD and Intrastat**

These details are used when generating Intrastat reports which can be submitted to HMRC. Stock records should be able to hold their own commodity code, country of origin, and net mass details.

### **Landed costs**

We recommended that you choose a system offering a range of options for tracking charges such as shipping, storage, and customs duty, and for applying these costs to the corresponding stock items. This helps you to protect your margins and your pricing structure, by ensuring that landed costs are not absorbed unknowingly. A good system therefore will enable you to record costs on a fixed rate or percentage basis, and purchase invoices allocated (or selected lines) across multiple shipments.

### **Price matrix**

This facility provides control over stock pricing by enabling you to store a price against every possible combination of customer and stock item.

For industries that need to classify and stock products in a range of variations (e.g. colour and size), make sure this tool is flexible enough to support the coding system that you use.

For example, the matrix should support models both where a single product code is used for each item (with different sub-analysis) or where lots of different product codes are used (e.g. SKUs).

Bringing all this information together in one matrix will eliminate re-keying and enable you to take orders with maximum speed and efficiency.

### **Stock allocation**

This feature enables you to ring-fence (or reserve) specific items of stock at the time a sales order is raised (or subsequently, if required). You can use it to prioritise stock allocation in any way that suits your business, from ensuring that your oldest stock is used first to guaranteeing that orders for your most important customers are shipped first.

The advantages of this system extends to every department of your business: for example, stock allocations may be searched and consolidated by postcode, enabling your dispatch team to plan cost-effective delivery routes.

### **Stock update to nominal**

This facility is usually optional and provides the data you need for effortless maintenance of your stock valuation, cost of sales, and accruals.

It works by automatically updating your nominal ledger every time an item of stock is bought, sold, or moved. Details of all relevant transactions are transferred (in real-time) straight from your purchase ledger, sales ledger, and stock module.

### **Stock forecasting**

These tools are designed to take the hard work out of forecasting your stock requirements for the days, weeks and months ahead.

A strong system will make calculations based on your current stock position plus and minus known sales and purchase orders for the most accurate forecast of your stock position. And by consolidating information from across your system into one graphical interface, you can easily run "what if" scenarios, taking into account possible new sales orders, supplier lead times and seasonal trends.

For an instant snapshot of your current stock situation, ensure this information is presented in a visual format, utilising for example, traffic light alerting. This will enable you to see immediately whether you're at risk from over- or under-stocking and take remedial action.

### **Payroll & HR**

Most businesses require an integrated or stand-alone module to handle all payroll-related functions. Finding a solution providing the functionality you need shouldn't be difficult, but check that it fulfils all the following requirements:

#### **HMRC compliant**

Choosing a solution that meets all the criteria set out by HMRC will save time and money in the long run. Good vendors will provide any updates free of charge and make it easy to install these legislative changes yourself.

#### **Speed and security**

For a cost-effective payroll that stays right up-to-the-minute, you need a system that provides optimum performance as your business grows.

Choose a system built on scalable technology such as Microsoft SQL Server. This will enable you to run payroll, period and month end quickly, whether you have ten staff or ten thousand.

## Statutory requirements

Ensure SSP, SMP, SAP, SPP, and all other statutory requirements are included and dealt with automatically. Check that your chosen solution handles pensions in the way you need (as a fixed sum or as a percentage of salary), as well as the facility for Additional Voluntary Contributions.

Good systems format PAYE, NIC, and SSP tables in line with HMRC conventions and provide a monthly report of payments due for PAYE and National Insurance.

## Comprehensive employee records

Tabbed records enable efficient storage and retrieval of all staff-related information, such as salary history, photo and any associated documentation.

Good systems will enable you to incorporate workflow into your Payroll, enabling for example, staff to enter and edit their own contact details via easy-to-use workflow forms. (See page 6 for more information about workflow).

## E-payslips

Good systems will enable you to send fully password-protected e-payslips to all your staff. This will reduce administration and paper while increasing security and efficiency.

## Recruitment

This functionality will enable you to track and manage the entire recruitment process, from creating vacancies through to final hire.

Choose a solution with powerful searching facilities e.g. the ability to filter by date, source and code. You should also be able to manage recruitment campaigns on a project basis and analyse spend by source e.g. recruitment agencies.

## Absence

For maximum visibility, choose a solution that enables you to view attendance at-a-glance.

A graphical planner will provide real-time information, enabling you to monitor and interrogate every type of absence, from dentist appointments to maternity leave.

## Appraisals

A good solution utilises a workflow to make the appraisal process easy to manage.

For example, you should be able to create standard templates with your choice of questions, incorporating specific documents and KPIs. And to keep both managers and employees up-to-date, in-built rules and alerts will inform when an appraisal is due.

## Download Part 1

We hope this guide has helped you decide which functionality will add value to your business system. However, choosing the right functionality for your business should go hand-in-hand with understanding your business needs.

**The FDs' Bible Part 1: A guide to choosing and implementing financial software** is designed to accompany your search for new software. It covers:

- Signs it's time to change
- Building a business case
- Researching potential vendors
- Shortlisting software packages
- Final checks & pitfalls to avoid

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## Who we are

Access will give you the advice, tools and clarity you need to make effective decisions, quickly and with certainty. As both a business-focused consultancy and a specialist software developer, we combine our innovative software with practical experience to deliver a solution that's exactly right for you and your business.

You can rely on us to provide you with a solution that's simple, proven and relevant to your company. We have over fifteen years' experience of developing software here in the UK and our regional consultants have tailored and implemented this software all over the UK and Ireland. The expertise we've gained gives us an unbeatable ability to accurately assess your needs and deliver maximum impact with ease and confidence.

We believe your solution must be ready for the future, as well as right for today. Because your business will constantly evolve, we provide a software solution that grows with you. Our modular software covers a complete range of business, financial and administration processes and can be flexed to give you the precise view of your business that you need at any time.

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## Further information

For further information on Access consultancy, software and solutions, please telephone us on **01206 322575**, email [info@theaccessgroup.com](mailto:info@theaccessgroup.com)

<sup>1</sup> Lifting the Data Siege, Cliff Mills

Cliff Mills is research manager for Evaluation Centre publisher NCC. If you are interested in this study, please contact Cliff on +44 (0)870 908 8767. Email: [cliff.mills@ncc.co.uk](mailto:cliff.mills@ncc.co.uk) If you would like more information about this article please contact [info@evaluationcentre.com](mailto:info@evaluationcentre.com)

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