Dec. 01, 2006

From the Dec. 2006 Issue

While reviewing a national survey about the technologies that make the most difference in businesses recently, it was no surprise that Business Analytics (BA) was one of the tools named as a best value investment. It is also no surprise that most high-end accounting software products have interfaces to a BA tool. For your practice, and more importantly for your clients, to be able to achieve their best results, you need to understand and recommend the use of Business Analytics. BA is available for all sizes of accounting software from QuickBooks to SAP, and most systems in between. The trick is to find the right level of BA tool to use and recommend.

Like the accounting software market, I like to break up the BA market into multiple levels of capability. For example, in accounting software, the levels and some example products would include the following:

Entry Level Accounting (ELA) – QuickBooks, Peachtree and Small Business Accounting

- Small to Medium Business (SMB) – BusinessWorks Accounting, CYMA, QuickBooks Enterprise, Peachtree Quantum and NetSuite
- Small to Medium Enterprises (SME, sometimes called High End) – Accpac ERP, Dynamics AX, Dynamics GP, Dynamics NAV, Dynamics SL, Epicor, Macola
ES, MAS 90 ERP, MAS 200 ERP, MAS 500 ERP, Open Systems Accounting Software (SAS), Open System TRAVERSE, Pro ERP, SAP Business One, SouthWare and SYSPRO

- Enterprise Resource Planning (ERP) – Lawson, mySAP, Oracle

reporting
or budgeting tools that can be added include the following:

- Entry Level Accounting (ELA) – Adagio FX, Budget Maestro, ProfitCents
- Small to Medium Business (SMB) – F9, ProSystem *fx* ProfitDriver
- Small to Medium Enterprises (SME) – Brio Performance Suite, Crystal Reports, FRx, Forecaster, PROPHIX
- Enterprise Resource Planning (ERP) – Business Objects, Cognos, Hyperion

These BA tools can help your clients analyze data and see information that would not even be discovered via traditional methods. Some of the tools can be used to build digital dashboards, exception reports and other key trend reports. A more complete listing of Business Analytics tools can be found at www.accountingsoftwareworld.com/industry/businessanalytics.htm.

In mid-market accounting software, I frequently recommend that multiple tools are selected because different tools do different jobs well. It would be quite common for FRx, Crystal and F9 to be used to perform different, but needed, functions. We recently interviewed users of Microsoft FRx to find out what type of impact FRx had in their business. One specific company is of note here.

Marshall Combs, Controller of White Electrical, which is located in Atlanta, Ga., stated in an interview that his company uses Dynamics SL as well as Microsoft FRx and Microsoft Forecaster. White Electrical has eight locations with approximately
350 employees and a strong growth rate. Mr. Combs found that FRx produced the financial reports that they needed to efficiently run the operation. The company

was "printing paper and keeping FedEx healthy." They decided to

investment in Microsoft Forecaster, a budgeting tool. Many organizations use Excel to prepare their budgets, but if you have more than a few locations and very many people involved, it is clear that it makes financial and time sense to use a tool like Microsoft Forecaster. "If you are a business of $25M, you ought to be able to afford Forecaster. The time savings that you have simplifies your life so much" said Mr. Combs. In White Electrical's case, Microsoft Forecaster cost less than $10,000 to acquire and implement and saved over 60 hours of the Controller's time in the first year, not to mention all of the location managers' time. When we asked about other comments, Mr. Combs said Forecaster was "one of the best things we have ever bought" and that having the right implementer is one of the key issues. The partners involved are Paul Beckler from Solutions Technology for Microsoft Dynamics SL and Microsoft FRx and Judy Griggs from Speedwell Consultants for Microsoft Forecaster.

Specialized tools can make business management reporting easier, or they can be so complex and so difficult to use that they take more effort than they are worth. One of the keys for recommendations to CFOs and for your clients is that you need to find the appropriate level of analytical tool for the need. Additionally, the right type of skill set is needed by the installation team. This is no small point. Frequently lost in the implementation of an accounting system is the need to get the right level of installer that will take the time to understand the needs of the business and to help make the software do that work. In the case of White Electrical, they have an installer who helps them on a regular basis by providing skills and insights for developing reports and suggesting strategies that make sense for the business.

SAP Business One has interesting reporting technology that was built-in from the beginning and additional capability added through the acquisition of XL

Reporter. Business Analytics was built into the product with a simple reporting

BA available at reasonable prices. For example, SYSPRO formed an alliance with Business Objects to release its SYSPRO Analytics module. Intuit had the ProfitCents tool built into its Premier products and above until the 2007 version. On the other hand, Exact Software considered BA so mission critical that the company purchased a manufacturing business analytics tool and now has it available as a module with Macola ES called Exact Business Analytics.

Microsoft has some very interesting plans to continue to develop the SQL Server 2005 Reporting Services (SSRS) and improve the interfaces to Office 2007. This capability was available in SQL 2000 and Office 2003, but has been refined to include BA capabilities such as advanced graphics and PivotTables, making them easier to use for the masses. Additionally, Microsoft has specifically enabled Dynamics GP with extended reporting capabilities that tie directly to SQL 2005 and Office 2007 through Microsoft Dynamics GP for analytics. These features include OLAP Analysis cubes for Excel. I suspect this will only be the beginning of this type of end-user capability.

Business Analytics and Financial Reporting tools continue to get easier to use, and they are important for discovering information about the operations of business to provide management with insight. Your business and your clients' businesses can benefit from the capabilities of BA tools. Spend the time to find the right tool(s)!

————————————————————————-

Mr. Johnston is executive vice president and partner of K2 Enterprises and Network Management Group, Inc. He is a nationally recognized educator, consultant and writer with over 30 years experience in strategic technology planning, systems and network integration, accounting software selection, business development and management, disaster recovery and contingency planning, and process engineering.

Technology

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us