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Fix it or replace it? Every day we face this question. As business owners and advisors to our clients, there are an infinite number of things we could make better. The choice is ours. For some, the answer is “intuitive” and for others, it involves detailed analysis. The risk of course is the time and money it takes to fix or replace something.

Generally, we assume that fixing something is easier than replacing it, both from a time and money perspective. Let's take that favorite car you've had for a number of years. First, one thing goes wrong, and then another. As you make the recurring trip to the repairman, you are soon asking yourself should you continue fixing the car until the sum of the parts is greater than the original price or replace it with a new car?

Fixing it is the incrementally easier thing to do but at some point though, you realize that your time, peace of mind and dollars would be better suited invested in a new car. As you start to do a little research on some new cars you learn about new features such as Bluetooth or better fuel efficiency that you realize you've been missing. In fact, you become convinced that you can't live without it and off you go to buy the new car.

In the end, you spent time and money, on both. Minimizing the time on fixing something you are going to replace is hard to do. Knowing when to fix and when to replace has been critical to my success at work.

I believe that we all spend time fixing our processes and people more than we like. The reason we don't replace them is the cost both in absolute dollars and the emotional reasons behind it. Understanding the dollars is simpler

than understanding the emotion. How many of us held on to that first car longer

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employees and customers are people. Sometimes we need to let them go, but we don't. We hope that we can "fix" them. That somehow they will improve their attitude, be more appreciative of our schedule or do what we need them to do. Unfortunately, the success rate is low and the time involved is very high.

Why don't we let them go? It's because we become emotionally attached. This will sound harsh, but one of the best pieces of advice I have ever received was from an investor who asked me if I knew when Venture Capitalists thought was the best time to fire the CEO? "The first time they think of it". In my experience the same is true for any person (employee or customer) and that is why it is critical to removing the emotional attachment.

PROCESSES: WHEN TO SWITCH TO SAAS

What about processes? My last column discussed the advantages of SaaS/cloud computing. I believe and know that the business world is moving towards data being stored in the clouds. The advantages are too great. It's more secure, has built in disaster recovery, provides for better support, and speeds up the product development timeline. That said, the move to SaaS has not become main stream. Desktop software companies continue to spend significantly more on their desktop products fixing things, not replacing things. Small businesses continue to be wary of "the cloud" and are sticking with the tried and true solutions for the last 20 years installing upgrades and patches when available. What a shame.

Accountants are fortunate to have an extremely robust ecosystem when it comes to SaaS. There are great workflow, accounting, tax and finance solutions in the clouds. The clouds mean no more routing paper around the office and syncing client data with desktop machines and servers, automatic scanning and conversion

of tax/financial documents, multi-user anytime/anywhere access to data, and

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about the time savings and what you could do with it? Add more customers, increase revenue, or play an extra round of golf. Why continue fixing your desktop applications knowing that someday you will need to replace it with a SaaS application? What are you waiting for? Now's the time to start switching over your applications. Time is money!

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