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FIRM MANAGEMENT

To Upgrade or Not to Upgrade? That's the \$64K Question

Software conversions are an investment in time and money. The improved functionality, better reporting, improved productivity and compliance can make a big difference in how your business operates.

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Recently, I got a call from a former client we had worked with years ago to set up their accounting software: “Marjorie, you’ve got to help me,” he said. “Nothing works!”

His panicked call was nothing unusual. Clients frequently wait until things are really broken before considering upgrading or making a change to their accounting system. Why? Because they are afraid of the upgrade process, don’t want to make a decision on what software to use and don’t want to spend the money.

Whether an upgrade actually costs \$64K, a lot less or sometimes even more, the best way to determine when to get the newest release or even, in some cases, convert to something more powerful, is to walk them through a defined process.

Eight Questions

The first step is to go through a series of eight questions; when clients answer “no” to more than half of the questions, it’s time for an upgrade.

1. Can you access the data you need easily? Is it all in one place, or scattered in different systems or files?

2. Are you getting the reports you need? Can your system easily tell you which clients are more profitable by gross margins; not just the amount sold?
3. Are reports easy to generate? Are there pre-installed report templates you can use? Do they provide the information you need?
4. Is the system accessible to the users who need it? Do all employees who need access to the system have it?
5. Is it flexible? Does your current system have the flexibility and scalability to meet your growing needs? Are you nearing capacity?
6. Is it reliable? Is your system frequently down?
7. Is it affordable? Maintenance costs are constantly increasing; is your current system unsupported, on discontinued equipment or do you need to upgrade your server?
8. Does it complete all necessary tasks? If your solution isn't keeping abreast of current industry trends and technological advances, you're missing out on important functionality that could help you grow your business.

Fear Not – Conversions Can Be Painless, Mostly

Of course, many people dread the idea of an upgrade because the conversion and transition can cause as many problems as the old system. And, honestly, conversions can be challenging – there is downtime where you can't access either system and your staff has to learn new processes and procedures. Your goal during a conversion should be to move the data as quickly and accurately as possible and avoid double entry.

Yet, it's the data that make conversions complicated – garbage in/garbage out. Many times, companies jerry-rig a system because it doesn't function like they need it to. As a result, the conversion may not have been completely thought out and could take longer.

We recommend every conversion project, no matter the software, begin with a data cleanup. This includes the following:

- Standardizing data for things like capitalization, abbreviations, acronyms
- Identifying missing or duplicate records
- Purging unnecessary data

Even after a data clean up, not all data converts due to the way different programs are structured. In fact, 100% data conversion is very rare.

Clients should plan on keeping their old accounting system running for historical reference, at least for the first year. We also suggest importing no more than 10 years of data into the new system. Old data doesn't always add value, so importing more than 10 years of data can increase your chances for errors and bog down the system.

Data Conversion: Your Decision Points

Once you've decided to convert your system, there are a variety of next steps to take. Determining the new system that best meets your needs, and deciding whether to undertake the conversion process yourself or hire a consultant, are just two decisions to make when beginning the process.

Next comes the actual file setup; here's what you'll want to discuss with your accounting team or consultant before converting:

- What will you want to include in your List Items? Most projects include a chart of accounts; customer, vendor and employee list; and various items such as inventory, service and tax.
- What transactions will you include? Customer invoices (open A/R), vendor invoices (open A/P), estimates, sales orders, purchase orders and more).
- What connectivity do you need? Options include a Point of Sale tool, connectivity to your bank, email and merchant accounts.

Accounting Software Conversion: Why We Recommend Training

You're up and running. The data occupies all the appropriate places on the new software. What else could you possibly need to start making the best use of your new accounting package?

Training can mean the difference between successful adoption of new software or processes and one that falls flat. You've invested the time and money into converting your software; you also need to invest the time and money to see that your staff uses it optimally.

Companies that invest in training also see increased employee performance and retention. In addition, when you invest in training, the departmental performance makes strides through improved productivity, increased efficiencies and automation.

Custom training takes this one step further, allowing your team to train together to learn specifically how to best use the software to meet the needs of your company. The benefits include time savings – custom training ensures employees understand

the benefits of your new system and take advantage of them. Other benefits are increased accuracy and better processes.

Is it Time to Upgrade?

Software conversions are an investment in time and money. The improved functionality, better reporting, improved productivity and compliance can make a big difference in how your business operates. We can't promise improved revenues, but we've seen it happen with many of our clients.

Are you ready to upgrade?

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