

# Making The Move

## What To Do When You've Outgrown QuickBooks

SAGE ACCPAC



Call Us Today at 866.436.3530



## Straight Talk About Selecting the Right Solution to Support Your Company's Growth Requirements

QuickBooks provided the basic bookkeeping capabilities you needed to start your company. But things have changed. You have more customers. More employees. More complexity. In short, your small business isn't so small anymore.

So how do you make the move to a more powerful accounting solution? First things first: It's critical to gather all the facts before you make a decision. The new system can impact nearly everyone in your company, so each decision is critical. It pays to be meticulous.

At Sage Software, we've been responding to the needs, challenges, and dreams of small and midsize businesses for more than 25 years. Our experience gives us firsthand knowledge of the issues and pressure you face every day. This insight, along with the conversations we've had with many of our 2.3 million customers, has helped us assemble this guide. ***Making The Move: What To Do When You've Outgrown QuickBooks*** is designed to give you smart, unbiased tips as you prepare to make the move to a more powerful accounting solution.

Please note that the 37 ideas we highlight in this guide make no mention of our software. We believe that after performing all the due diligence suggested in this booklet, you'll agree that Sage Software provides an ideal, cost-effective next step for your company. To illustrate that point, we've also enclosed a helpful reference chart that points out the differences between Sage Accpac ERP and QuickBooks. Plus, we've included two case studies that show how our customers have successfully moved from QuickBooks.

We hope this material helps you continue on your path to success and we look forward to helping you grow your business.

# 37 Essential Tips for Evaluating and Purchasing New Accounting Software

## Getting Started

The first step to implementing a new accounting system is evaluating your company's readiness for change. Before you begin looking at new features and setting fast-track time lines, take time to set realistic goals and build momentum. Pre-production planning is the key to success.

### 1 *Change before you have to.*

By the time you are certain that your current systems are inadequate, you're probably already losing money to reduced productivity, lost opportunities, and inferior data. Don't wait until that happens. If you're receiving warning signs that your system can't keep up (data frustration, slow turn-around, time-consuming or manual processes), begin your needs analysis now. Many professional systems analysts use the steps below. Keep them in mind as you evaluate your system needs.

### 2 *Accept the fact that improvements cost money.*

Implementing new accounting software will require an investment of time and money. But the hidden costs of antiquated systems are sapping your productivity and softening your competitive edge. Remember that the right system will pay for itself with process improvements and better data for decision-making. Many businesses are choosing more modern, automated systems for faster processing of accounting transactions, easier retrieval of accounting information, and better formatting of accounting reports. Keep these benefits in mind when considering return on your investment.

### 3 *Don't ignore hard-to-quantify benefits.*

A new system will deliver broad improvements whose overall impact may be difficult to calculate with precision. Consider all the benefits of more reliable and faster access to data. Think about how much it is worth to your company to improve strategic planning. How much will it cost you if your next audit doesn't stand up to scrutiny? How will your company's reputation improve if your new system gives your customers better, faster, and more professional service?

### 4 *Compromise is a good thing.*

Your final choice of software probably won't satisfy everyone, but through clear communication and patient education, most people will recognize that the decisions being made are fair and reasonable. Plan to spend more time than you'd like handling objections, especially in the early phases of the project. Plus, have a strategy for fine-tuning the system once it's installed. Count on a new system to satisfy about 90 percent of your needs and wants, and figure out how you are going to deal with the remaining 10 percent. You may need to consider some staffing changes or revising your policies and procedures.

## How to Create an Accounting System Needs Analysis

- Clarify all the accounting modules your department currently uses and requires. Identify all the information that flows through the accounting system.
- Determine the information-sharing requirements between the accounting system and other departments.
- Define all categories of accounting transactions.
- Calculate the total number of transactions of each type for a typical accounting period.
- Distinguish all the different types of accounting reports used by your department.
- Define your specific data retrieval and reporting requirements.
- Specify your custom reporting requirements.
- Determine how many users will have administrative access to the system.
- Ascertain the level of accounting and computer experience of potential system users.

## Setting Objectives

People who buy accounting software usually spend most of their time evaluating features. The fact is, however, you should spend most of your time evaluating your own business. The more you know about the problems you expect the new system to solve, the better informed your final choice will be. Know where in your accounting cycle you experience the biggest productivity losses and highest error rates. Determine how inaccuracies are affecting your business. Understand which tasks require automation. Begin by identifying the problems you experienced this year because your existing system wasn't adequate.

### 5 *Create a task force.*

Financial software affects many departments within your organization. One of the easiest ways to ensure cooperation is to involve representatives from other departments right from the beginning—including not-so-obvious groups like Sales and Human Resources. It may slow down your process and frustrate you, especially if your old system is failing and you need to hurry the new project along. But in the long run, a task force saves time and hassles, and guarantees that other departments will cooperate during the implementation phase.

### 6 *Aim high.*

Many people don't aim high enough when they implement a new system. Just about any product can deliver financial statements. You should be looking for much more. Think back to last year's planning sessions with your peers. What information could have boosted productivity and profitability? This might include current gross profit by product, customer, or salesperson, or trends on how customers and products are growing or declining. You may want to use financial ratios to measure your company's performance against your competitors.

### 7 *Know what's special or unusual about your company.*

Your company probably has some unique requirements that can't be changed. Perhaps you need to track products by lot or serial number. Do you need to price product by warehouse location? Does your industry have special reporting techniques? Make a list of requirements unique to your industry and organization.

### 8 *Know which features you can't live without.*

When you survey your task force, you'll uncover a few system capabilities that are critical to your company such as particular reports or tracking methodologies. Once you discover that they are absolutes, put them on your must-have feature list.



## What Accounting Modules Will Help You Meet Your Goals?

	Plan & Control Growth	Reduce Labor Costs	Shorten Billing Cycle	Reduce Inventory	Increase Sales	Control Costs	Manage Cash
General Ledger	X	X				X	
Accounts Receivable	X	X	X	X	X		X
Accounts Payable	X	X				X	X
Purchase Orders	X	X	X	X	X		X
Sales Orders	X	X	X	X	X		X
Inventory	X	X	X	X	X	X	X
Job Cost	X	X	X	X		X	
Payroll		X				X	
Contact Management / CRM			X		X		

### 9 *Look for systems that can easily adapt to your business needs.*

In order for a system to meet your business needs, it should mesh with your existing business practices and adapt to technological innovations. Again, ideally you want software that's simple, intuitive, and closely matched to how you already do business. Be sure the system can:

- Embrace industry-standard technology quickly and easily.
- Customize easily to fit the special needs of your business.
- Scale to the changing size of your business.

### 10 *Make integration a high priority.*

Tightly integrating your financial accounting software with your other business management applications can significantly improve your bottom line. Linking all functions internally, and linking to customers, suppliers, and other business partners externally can dramatically reduce lead times and waste throughout the supply chain. You'll streamline operations and gain a competitive edge by integrating your Web store, retail management, business intelligence, customer relationship management, supply chain, and human resource management applications. When evaluating accounting systems, check to see how seamlessly they integrate with other systems. Tight integration will save you time, promote greater efficiencies, and add value to your business.

### 11 *Manufacturers/Distributors: Evaluate automated shipping and distribution systems.*

Inventory that sits in your warehouse is cash your business could otherwise be using. When considering accounting software, study what options are available to link the system with your warehouse management system. The proper use of integration will pay your organization huge dividends in the form of reduced inventory cycles, more efficient warehouse operations, less paperwork (including the corresponding reduction in input and other errors) and better order accuracy.

- 12 *Don't forget about your sales team.*

Study after study indicates that customer satisfaction and loyalty are crucial success factors. Customers are the life-blood of any organization. The better you are able to understand and satisfy customers, the more your business will prosper. Closely linked Customer Relationship Management (CRM) software will allow your organization to increase customer satisfaction. Your sales team will have a much better understanding of customer purchasing habits, both in aggregate and individually. Research which customer management options are available with the accounting software you are considering, and how closely linked they are.
- 13 *Take time to research human resource management systems.*

As with any integrated system, take time to research HR management systems. Evaluate it like you would accounting software; don't just assume it will meet your needs. Look past compensation and benefits to be sure that it meets your company's specific requirements in other areas such as integration with federal and state agencies, and online filing of reports and documents. Be sure that it really does integrate and synchronize with payroll, eliminating the need for redundant data entry.
- 14 *Be prepared to extend your business to the Web.*

Software optimized to leverage future e-business opportunities will deliver a significant strategic advantage. Look for accounting software with strong e-business capabilities, even if e-business functionality is not one of your current requirements. Areas to consider include support for business-to-consumer and business-to-business buying and selling, the ability to empower employees through the intranet and browser-based applications, and the capability to extend systems through mobile, wireless applications. Choosing a software manufacturer dedicated to e-business tools will ensure that your system can grow to match your organization's evolving strategic goals.
- 15 *Look for integrated Web store systems.*

A Web store isn't really efficient if it doesn't integrate with your back office. When shopping for Web store creation and management software, look for one that will eliminate time-consuming manual re-entry of orders received via the Web. It should seamlessly integrate with your accounting system without costly customization. Web orders and payments must automatically flow through to your accounting system. Changes to customer and inventory information in your accounting system should automatically flow through to the Web store. Furthermore, you should be able to process orders in either real-time or batch mode.

## Selecting the Right System

Understanding your business's financial information needs is the first step in selecting the appropriate accounting software. However, there is typically no obvious choice because so many competing products promise similar results. You can end up mired in the feature lists and still be uncertain of your final selection. Here are some tips for choosing wisely.

- 16 *Choose your software before your hardware.*  
You're probably going to need some additional hardware to implement the new system. But since system requirements are generally determined by software and not hardware, you should choose your software first, and then buy the hardware recommended by the software manufacturer or your consultant.
- 17 *Start with the big picture.*  
Don't dive into details at the beginning of your selection process. First decide on what key characteristics the system must have. Eliminate any packages that don't comply with your fundamental requirements and you'll narrow the field significantly. There is no point in having a 200-page Request for Proposal (RFP) if 10 questions will shrink the field from 50 possible vendors to five.
- 18 *Don't underestimate the importance of system architecture.*  
You'll want your software to have the capability to grow and change as your organization changes. Most accounting software companies have various families of products geared toward specific sizes of customers. A key question to ask is whether or not the products are built on unified system architecture and if they have a built-in upgrade path from one product to the next. If the family of products has been developed on the same architecture, future upgrades from product to product and the subsequent data exchange can be managed much more smoothly.
- 19 *Make sure your software can be customized.*  
No one software package is right for everyone. And no accounting system on the market will have every single feature you'd like. Many packages give you useful modification features that let you change reports or screen formats. For even more control over your system, look for software that enables you to make more specific customization. This will ensure that your software will meet your needs no matter how your business changes.

- 20 *Make sure the software can adapt to your needs.*  
Finding a system that can adapt to the specific needs of your company is essential. Some packages offer open architecture, which allow you to easily add on additional features and adapt to new IT paradigms. Open architecture is especially important if you expect your company to experience growth or change in the future. If you have a growing business, one of the most important characteristics of your system is its scalability. Open architecture scalability ensures your system can grow along with your company.
- 21 *Look for software vendors that invest in research and development.*  
A good company invests heavily in engineering and develops new product features and enhancements regularly. These companies stay abreast of new technologies and make sure their customers do too. A good software manufacturer will provide frequent upgrades at reasonable prices.
- 22 *Explore what support will be available to you.*  
Find out what technical support each software manufacturer makes available to its customers. What days of the week and times during the day are telephone technical support specialists available? What costs, if any, are associated with various levels of support? Does the manufacturer provide classroom, self-study, or Web-based training programs? How frequently does the manufacturer keep in contact with customers regarding product announcements, upgrades, etc.? You will need assistance getting the most out of your software—the best manufacturers provide this assistance.
- 23 *Documentation reflects software quality.*  
You rarely find excellent documentation with poor software. Clear, accurate, and useful documentation takes time to produce and indicates a long-term commitment to users. You'll save time hunting through manuals if the documentation is included electronically as help files within the application.
- 24 *Check out the software publisher.*  
Study the makers of the software. Find out how long the company has been in business, what their long-term prospects are, and what kind of customer support, upgrade protection, and technical support they provide.
- 25 *Popular products are popular for a reason.*  
Just because a software product is popular doesn't mean it's right for you. But if a company has lots of users, they're probably doing something right. A large installed base is like an insurance policy for users. Choose a product that has stood the test of time, satisfied companies similar to yours, and delivered good value.



26 *Evaluate the software by what it can't do.*

Software product limitations are often much more revealing than feature list comparisons. Find out the maximum number of customers, vendors, and inventory items allowed. Ask how many line items a single invoice or sales order can handle, and find out the maximum number of users that can work with a particular application at the same time.

27 *Use mistakes as your acid test.*

People make mistakes. If the software handles errors intelligently, that's a sign of good design. Some of the most widely promoted accounting systems do not allow you to correct an error in a purchase order without canceling the entire P.O. and re-entering it from scratch. Look for software that tests for errors, such as duplicate customers and vendors, incorrect item numbers, and unreasonable amounts and dates. The system should also flag unusually high quantities or unit prices and offer valid alternatives.

28 *Evaluate the learning curve.*

Intelligently designed software is easy to learn. An intuitive interface will shorten training times and facilitate the conversion. Look for input fields in consistent and expected locations, and screen design similarities among all modules. Be sure that the software comes with effective learning tools, classes, and demonstrations to speed the learning process. Don't compromise when it comes to end-user support.

29 *Understand the difference between standard functions and extras.*

Some software organizations provide basic functions but then make you purchase the various extras that come standard in other organizations' software. An extreme example would be to buy a car, and then discover that you must pay additional for the engine, steering wheel, and tires. Confirm what is included in the core pricing and what must be purchased separately.

30 *Go paperless.*

Today's most effective software applications utilize less paperwork. As you explore accounting and other software systems, focus on how much paper you can eliminate during order entry, basic accounting input, shipping and handling efforts, and other areas within your organization. The more paperwork and input you can eliminate, the more efficient and error-free your organization becomes. Consider systems that support document attachments and have built-in data backup and storage.

## Working with a Consultant

It's possible that your organization has the internal staff to successfully implement your new accounting system. It's more likely, however, that you don't have the resources or expertise to devote to analyzing, purchasing, installing, and maintaining a system. A software consultant can help considerably. They have been through the purchasing and implementation process many times. For a reasonable fee, they can save you significant time and money by helping you evaluate, select, and get the most out of your new system.

### 31 *Conduct an interview.*

Arrange a meeting with the consultant and your task force. The focus of the interview should be how long the process will take, what applications the vendor can provide, and how he or she can help you benefit from them—not on details of specific software or systems.

### 32 *Ask for references.*

Has the consultant installed accounting software at companies similar to yours? Ask about company size, number of employees, and nature of the business. Ask for contact names and phone numbers, then call to learn as much as possible about the customers' working relationship with the reseller.

### 33 *Listening skills are as important as product skills.*

If the consultant doesn't listen effectively, chances are you won't be satisfied with the final outcome. During your first interaction, notice if the consultant seems more interested in "pushing" a particular product instead of analyzing your needs. Avoid people who try to impress you with jargon and who immediately start talking about features of equipment and programs.

### 34 *Find a reseller with whom you can work.*

The consultant will be a virtual member of your company for weeks. You may even end up with a long-term relationship if the consultant helps change and extend your system as your company grows. Choose a consultant who comfortably fits your company's philosophy and culture.

35 *Avoid RFPs.*

Contrary to what your colleagues may tell you, creating and sending out an RFP is not the most effective or efficient way to find the best software system. The process of creating an RFP, sending it out, waiting for proposals, and reviewing them requires substantial internal time and therefore, expense. You can achieve the same results in days by simply making a list of the ten to fifteen features you must have, calling potential vendors on the phone, and asking if their system can provide them. You can narrow your list down to the three finalists you plan to interview just by spending a few hours on the phone.

36 *Don't sit for product demos too early.*

Salespeople sometimes urge you to sit through a product demonstration before you're ready; it's easy to get caught up in bells and whistles and forget about your objectives and the must-have list. Don't watch a demo unless you're armed with your list of requirements and can control the process. Help your team understand the need for clear objectives and priorities before they spend their time looking at demos. Also, it's your demo—have the consultant present their features in the order of your choosing, not theirs. This gives you the ability to ensure that the features you need are consistently presented by each vendor you review.

37 *Require cost forecast revisions.*

Obviously, you'll need to forecast the cost of implementation as accurately as possible. Avoid surprises—get a detailed breakdown of costs and fees before and during the requirements phase. As objectives change, make sure you request revised cost estimates.

## See for yourself. Sage Software offers a logical progression from QuickBooks.

		PRODUCTS	
Features and Capabilities	Definition	QuickBooks Enterprise	Sage Accpac ERP (100, 200 & 500)
Audit Trails that Cannot be Disabled	Provides tight security for your financial information. Critical accounting data, such as checks that have been written, cannot be altered once entered into the system.	X	X
Task-Specific Security	Enables you to specify which users are authorized to view specific areas of the software.	X	X
Support for More Than 10 Concurrent Users	Provides the networking capabilities to support 10 or more users concurrently with little or no reduction in performance.	X	X
Unlimited Number of Parts, Customers, and Vendors	Offers no limits on the volume of unique parts, customers, and vendors stored in the system.		X
Sales Order	Manages the activities involved in the order processing cycle.	X	X
RMA Processing	Return Material Authorization—Allows accurate tracking of materials or merchandise that are being returned.	Only Certain Industry Editions	X
Inventory Management Tools	Provide tight control over inventory activities so you can get the right inventory in the right place at the right time in the right quantity in the right form at the right cost.	X	X
Kitting	Tracks and manages items that consist of multiple components either preassembled or built-to-order.	X	X
Lot Control	Allows inventory to be tracked by lot, not just by inventory item number. This is often required when traceability is important. Common in food, beverage, chemical, metals, and other industries.		X
Serial Number Tracking	Items with the same inventory number are tracked with unique serial numbers to provide additional reporting and financial information. Common in machinery, equipment, electronics, electrical, automotive, and similar industries.		X
Bin Locations	Bin locations provide warehouse personnel with location details, facilitating more efficient warehouse operations.		X
Expiration Date Controls	Some kinds of inventory are not durable, and degrade with time. Expiration controls allow this kind of inventory to be handled more efficiently.		X
Multiple Warehouses	Allows inventory to be managed across more than one physical or virtual warehouse without the need to create multiple company files.		X
Shipping	Enables warehouse personnel to quickly and accurately enter items to be shipped.	X	X
Bar Coding	Enables warehouse staff to use a handheld computer to quickly perform inventory counts and verify quantities and items shipped or received.		X <sup>1</sup>
Purchase Order Processing	Manages the process of purchasing goods from a supplier, including the authorization, approval, and tracking of purchased items.		X
Automated Procurement	Automatically triggers the creation of a purchase order for a specific item at a predetermined reorder point.		X
Integrated E-Business Customer Web Site	Provides an integrated Internet store front with back-end processing capabilities that link to accounting modules.		X <sup>1</sup>
Item Attribute Sets	Defines item attributes such as dimensions, weight, color, etc. Often used to calculate shipping information or for custom reports and inquiries.		X
Work Orders	A formalized system used to track material and labor quantity and cost transactions throughout the production process.	Industry-Specific	X <sup>1</sup>



		PRODUCTS	
Features and Capabilities	Definition	QuickBooks Enterprise	Sage Accpac ERP (100, 200 & 500)
Co-products / By-products	Tracks and manages multiple, unique finished goods produced from a single manufacturing process.		X <sup>1</sup>
Materials Requirements Planning (MRP)	Uses aggregated data to recommend purchase orders, transfers, and work orders to balance supply and demand.		X <sup>1</sup>
Fixed Asset Management	Facilitates the tracking, management, and depreciation of fixed assets throughout their lifecycle.	X	X
Human Resources and Payroll	Automates processes related to the human resources function including benefits administration, training, certification, payroll, etc.	X	X
Disassembly	Allows an item that is stocked as a finished assembly or received (perhaps as a return) to be broken into constituent parts for independent handling.		X
Multi-Company	Allows you to consolidate, report on, monitor, and analyze multiple companies or functional divisions within your organization.	X	X
Product Configurator	Simplifies order entry, routing, and bill of material design. Particularly useful when an item is available in different colors, sizes, or other variations.		X <sup>1</sup>
Backflush	Automatically removes materials from inventory and increases Work In Process. Also used to automatically allocate overhead and labor costs based on the standard production quantities		X <sup>1</sup>
Job Costing / Project Management	Manufacturing costing system that shows actual cost per job compared to the standard or estimated cost.	X	X <sup>1</sup>
After-the-fact Production Reporting	A one-step method of reporting production of finished goods in which finished goods inventory is automatically updated while component and raw material inventories are reduced based on the finished goods quantities and requirements.		X <sup>1</sup>
Real-time Production Reporting	Allows for material issues and labor transactions during the production process, providing a real-time view of quantities and costs in WIP.		X <sup>1</sup>
Finite Scheduling	A production scheduling system that schedules production based on work center or machine capacity without overloading.		X <sup>1</sup>
Quotations	A document describing an item, cost, and details delivered to a prospective buyer. Often converted directly to a sales order upon agreement from the prospective buyer.	X	X
Standard Costing	Standard costs are the target or ideal costs established for an item. This feature automatically identifies variances between the actual cost and the Standard Cost posted to the general ledger. This is one of the most common costing methods used by distributors and manufacturers—especially those who sell relatively standard products with low cost or price variability.		X
Average Costing	Calculates the average cost of an item by averaging the actual costs each time the item is made.	X	X
Actual (Lot) Costing	Tracks the actual labor, material, and overhead costs associated with a production run. Very common in make-to-order manufacturing environments for actual product costing when a product is purchased directly for the job.		X
FIFO and LIFO Costing	First-In First-Out and Last-In First-Out—A cost accounting system whereby the first or last cost of raw materials is used to determine the cost of the finished good.		X

X<sup>1</sup> = Requires purchase of an additional module from a Sage Development Partner.

**Customer:**

Votivo, Ltd.

**Industry:**

Manufacturer and Distributor

**Location:**

Seattle, Washington

**Number of Locations:** 1**Number of Employees:** 80**System:**

Sage Accpac

- General Ledger
- Accounts Payable
- Accounts Receivable
- Payroll
- EFT Direct Payroll
- Bank Services
- Inventory Control
- Purchase Order
- Order Entry
- Accpac Query

*"We needed real accounting software. QuickBooks wasn't right for us."*

— Claudia Levin  
Vice-President  
Votivo, Ltd.

## Success Story

### Votivo Gives Sage Accpac a Glowing Recommendation

Twelve years ago, three friends began crafting candles in a garage, wondering whether there was a market for their unique creations. Today, Votivo, Ltd. occupies a 75,000 square foot warehouse and employs 80 individuals. The successful company still handcrafts every candle and distributes its distinctive products, which include an associated line of room fresheners, lotions, incense, and soaps, to retailers nationwide. An instrumental factor in the company's success is Sage Accpac ERP—its accounting and operations solution.

#### *Company Growth Outpaces Accounting System*

When Votivo was just starting out, it used QuickBooks accounting software to handle its basic accounting functions. But as the company grew, it became clear to vice president Claudia Levin that QuickBooks was no longer up to the task. "We needed real accounting software," Levin recalls. "QuickBooks wasn't right for us. It had no controls and no audit trail—anyone could change anything and we'd never know." QuickBooks also lacked the inventory control functionality Votivo needed to successfully manage the distribution of its thousands of individual items.

#### *Comprehensive Solution*

Levin and Votivo's owners researched several enterprise accounting solutions, including Microsoft Dynamics GP. "Sage Accpac definitely has the capabilities we need," says Levin. "We need a solution that just plain works for us and Sage Accpac is that solution."

Levin and her staff love the ability to store notes and comments associated with a customer record. "We use those notes like a contact management system, recording the details of all our conversations with customers—whether it's regarding an unpaid bill or a new order." The notes are easily viewed by order entry staff as they speak to a customer over the phone, and new notes receive a date stamp automatically.

The strong security features of Sage Accpac enable Levin to limit users' access to only the tasks they need to do their jobs. View-only access makes it convenient to give customer service personnel the ability to query and view accounting information while protecting the accounting data from change.

Levin praises the intuitive, user-friendly interface of Sage Accpac. "I'm definitely not a computer geek, yet it's easy for me and my staff to use the software. When we're about to make a change, it will always ask, 'Are you sure?'—that's prevented a quite a few mistakes!"

Levin generates an assortment of financial statements and sales reports for Votivo's owners, using standard reporting tools within Sage

Accpac and the Accpac Query option. She can quickly output each report to Microsoft Excel for easy distribution. “The owners are thrilled with the software. Whatever information they ask for, I’m able to get from Sage Accpac. Sage Accpac is flexible enough to allow me to run the business just the way the owners want.”

#### *In-house Payroll Power*

Weekly Payroll for Votivo’s 80 employees is performed in-house using the Sage Accpac Payroll module. “Bless Payroll,” Levin laughs. “It used to take me a full day for just 12 employees—imagine how long 80 would take me!” A tax deposit report printed after each payroll run gives Levin accurate information about the company’s tax liabilities.

Sage Accpac Payroll also tracks employees’ available and used vacation and sick time as well as the occasional pay advance. Without a human resource department, Levin finds herself the contact person for staff’s questions about their pay and benefits. “Answers are quick to find in Payroll; I can print out a quick report giving employees the information they ask for.”

When the owners asked Levin to implement direct deposit for the staff, she used the Direct Deposit module for Sage Accpac. “It’s really easy. I just copy a file and upload it—takes me less than a minute.”

#### *Inventory Under Control*

Before Sage Accpac, Votivo had no mechanism for tracking its inventory. “It would take us days of hand counting to know what we had on hand,” Levin recalls. Now Votivo benefits from real-time inventory numbers and can make informed purchasing decisions about the raw materials it uses. In this way, the company is better able to control overhead costs and maintain a lean inventory.

#### *Monitoring Sales Trends*

Detailed sales figures are tracked for every item; Votivo can see how many were sold and to whom, and how many were returned. “The ease with which we can get this information definitely helps us run the business better,” says Levin.

Every week, Votivo analyzes its sales and looks for market trends. Some fragrances may be seasonally popular, or have strong initial interest but weak ongoing sales. If a particular fragrance of candle proves popular, the company may expand that fragrance into its soaps or a slow seller may be discontinued. Sage Accpac makes analyses such as these easy with comprehensive sales reporting.

New customers often ask which products are selling best in their area and thanks to Sage Accpac, Votivo’s sales representatives have this information.

“Where would we be without Sage Accpac?” Levin speculates, “Maybe out of business.”

#### **Challenge**

As Votivo’s success grew, QuickBooks proved inadequate. The product lacked accounting controls and broad inventory functionality, stressing Votivo’s ability to sustain its growth.

#### **Solution**

Sage Accpac delivers strong accounting, distribution, and payroll functionality, is easy to use, and has the flexibility to grow as Votivo grows.

#### **Results**

Insight into sales metrics allows the company to stay on top of customer buying trends. In-house payroll saves time and money. Tight inventory and accounting controls ensure accurate, auditable financial statements.



**Customer:**

Kalmar RT Center, LLC

**Industry:**

Heavy Equipment Manufacturer

**Location:**

Cibolo, Texas

**Number of Locations:** 3

**Number of Employees:** 55

**System:**

Sage Accpac

- System Manager
- General Ledger
- Accounts Payable
- Accounts Receivable
- Inventory Control
- Order Entry
- Purchase Orders

*"To say the system paid for itself is like saying the ocean is wet."*

— Bob Wills  
CFO  
Kalmar RT Center, LLC

## Success Story

### Sage Accpac Paves the Road for Rough-Terrain Equipment Supplier

Delivering containerized supplies to the country's troops in remote and rugged locations is a logistical challenge. When one of the country's foremost experts in forklift design focused his efforts at solving this challenge, the result was Kalmar RT Center, LLC. Today the company is the premier provider of rough-terrain container-handling equipment to the United States Department of Defense (DoD). With service centers in Japan, Afghanistan, Kuwait, and in its home base of Cibolo, Texas, the company's skilled mechanics maintain and repair the equipment it manufactures and sells.

#### *Eleven-Million-Dollar Problem*

As the company's growth took off, its entry level accounting system was left in the dust. The combination of QuickBooks, custom databases, spreadsheets, and proprietary service management software couldn't keep up. When the DoD auditors came in to review Kalmar RT's accounting and service maintenance records, the company failed the audit. Failing the audit meant that Kalmar RT could no longer invoice the government, and could not collect the nearly 11 million dollars it was owed.

Bob Wills was hired as CFO and charged with remedying the situation. "We needed integrated business management software with tight financials and the ability to manage our service and repair contracts."

After reviewing several ERP solutions with service management capabilities, Kalmar RT decided on Sage Accpac ERP with Technisoft Service Manager. Wills says that the combination of world-class financial and distribution capabilities combined with award-winning service and maintenance functionality made the Sage Accpac solution a clear choice.

#### *Eleven-Million-Dollar-Plus ROI*

Just one month after going live with the new accounting and service management solution, the company sailed through its government audit and was able to collect 11 million dollars. "To say the system paid for itself is like saying the ocean is wet," laughs Wills. The system's tight financial controls and its ability to accommodate the precise account structure required by its customers ensure that Kalmar RT is able to pass the toughest scrutiny, but the ability to collect on its receivables was just the beginning of the new solution's return on investment.



### *Estimating Accuracy*

Under its government service contracts, Kalmar RT is authorized to spend up to a specific amount repairing equipment before it must undergo a lengthy authorization process. Previously, without a reliable method for tracking its project costs, Kalmar RT would often find out mid-repair that it had exceeded its authorized amount and have to stop work and wait for the required authorization. This was enormously costly for the company in terms of wasted labor hours and lost revenue.

Using Sage Accpac and Technisoft Service Manager, Kalmar now has accurate, up-to-the-minute numbers for each project. Using the powerful and intuitive estimating tools within the software, the company can determine in advance whether they are likely to exceed the authorized amount, seeking the authorization in advance and thereby ensuring prompt payment and uninterrupted productivity.

### *Tracking and Control Boost Profitability*

Kalmar RT is well equipped to track the equipment and spare parts associated with its projects, including the detailed tracing of serialized items. Parts information is available at all times, enabling Kalmar RT to quickly respond to inquiries—keeping operations in high gear.

By tracking all of the part and labor costs associated with its service and repair operation, Kalmar RT can recover many of those costs that were previously written off as operating expenses. For example, by tracking travel expenses associated with a repair, Kalmar RT is now able to bill for these costs—saving the company tens of thousands of dollars each year. “The software’s ability to accurately track the costs associated with our projects means those projects are more profitable for us,” says Wills.

Equipment warranties and service contracts are tracked through the system, enabling the company to analyze the lifetime profitability of a contract or piece of equipment.

### *Real-Time Accessibility*

Kalmar RT’s staff can access the system remotely via the Internet. This allows its overseas technicians to directly record travel expenses, spare parts, and labor hours associated with each project—ensuring each project is up to date.

### *Driving Success*

With accounting, inventory, and service data instantly available across the organization, Kalmar RT’s management team can make informed, strategic decisions about staffing, scheduling, parts ordering, and invoicing. Sage Accpac provides an integrated solution that boosts efficiency, drives profitability, and delivers all the functionality this demanding organization needs.

### **Challenge**

Inadequate project tracking and accounting systems prevented Kalmar RT from billing its customers and running profitable projects.

### **Solution**

An integrated accounting and service management solution featuring Sage Accpac and Service Manager.

### **Results**

Ability to effectively and profitably manage its projects, collecting \$11 million in receivables and recovering tens of thousands of dollars each year in billable expenses.



## About Sage Software

Sage Software supports the needs, challenges and dreams of more than 2.7 million small and midsize business customers in North America through easy-to-use, scalable, and customizable software and services. Our products support accounting, operations, customer relationship management, human resources, time tracking, merchant services, and the specialized needs of the construction, distribution, healthcare, manufacturing, nonprofit, and real estate industries. Sage Software is a subsidiary of The Sage Group plc, a leading international supplier of accounting and business management software solutions and related products and services for small and midsize businesses. Formed in 1981, Sage was floated on the London Stock Exchange in 1989 and the Group now has 5.2 million customers and employs over 13,000 people worldwide. For more information, please visit the Web site at [www.sagesoftware.com/moreinfo](http://www.sagesoftware.com/moreinfo) or call (866) 308-2378.

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