

White Paper

**Has your Business Outgrown
QuickBooks? Why Entry-Level Software
Doesn't Support the Modern Business**

A WHITE PAPER FOR U.S. MANUFACTURERS & DISTRIBUTORS



Achieving Growth via the Right-Sized ERP Partner

The world of manufacturing and distribution today has entered a period of change unlike any other throughout history – escalating regulation, cut-rate global competitors, a supply chain that can be sourced from a rapidly growing array of new companies and countries, and automation/technology capabilities that can quickly make, or break a business.

Nowhere is the impact more profound than on those emerging companies that have grown steadily or rapidly, organically or by merger, and now find themselves needing to upgrade beyond a current QuickBooks software to an ERP Solution that is better able to support growth. Faced with the prospect of reviewing literally dozens of potential software providers, the task to change software may feel overwhelming to mid-sized U.S.-based businesses whose resources are already limited.

The primary purpose of this white paper is to help simplify the search for a QuickBooks replacement, to provide a thoughtful and easy-to-understand checklist of areas to consider, and helpful tips.

On a secondary level, we respectfully invite you to consider SYSPRO ERP as your potential QuickBooks replacement strategy. SYSPRO has an excellent global reputation with customers in more than 60 countries and has a strong footprint in the technology analyst community as an ERP company that provides a higher level of customer support, service and end-user satisfaction than any other ERP provider. SYSPRO's people are committed to one goal only: to simplify your success and to take your company to its highest potential, whatever your vision!

Background

Every day, company management is surrounded by competing levels of 'noise' as to what must be done to protect bottom-line profitability while growing top-line revenue. Regardless of which manufacturing or distribution industry segment that a business operates within, or the size of the company, the problem is pervasive: where best to put the focus of resources for the greatest impact. For some period of time – from a few years to ten years or more (depending upon the company's individual circumstances) – QuickBooks may have met basic business needs.

Today, however, things have changed. The inability of QuickBooks to change with the business and provide the data access and reporting that are now necessary for current and future growth are a real problem. You can choose to delay the inevitable – keep the many manual processes in place that are used today, forego automation in an ever-escalating array of key repetitive tasks, and/or make a best guess as to which business segments/suppliers/ customers and partners... are doing well.

Or, you can undertake the type of active change that may be challenging in the short term (change ALWAYS is), but that will very quickly have you and your team saying, "Why did we ever wait so long to do this?"



Most smaller-sized businesses tend to start with QuickBooks, or similar type products, and initially thrive on the set of features/functions intended to drive start-up businesses from an idea to a legitimate enterprise. But as the business takes off, these types of activities are good barometers that it's time to upgrade to a full-function ERP solution that is best suited to support and facilitate business growth.

Have You Outgrown QuickBooks? A 10-Point Checklist
You've outgrown the capability of your current software to manage business operations, resulting in many operations still being run manually.
Your system limits your ability to adopt vital current technology (e.g., cloud, mobile, EDI, workflow, barcode data collection, etc.).
You have poor financial control, leading to a loss of profitability and time.
Your industry has new or changing compliance regulations and/or you need additional trace or audit capabilities.
You have poor or inadequate inventory visibility resulting in either too much inventory or too little inventory.
You aren't able to deliver customer orders on-time and error-free.
Your current software no longer fits your business model, or the requirements of a recent merger or acquisition demand a more flexible solution
Your current system takes too long or is unable to help you figure out what materials or product you need, how much you need and when you need it.
Your current system is unable to accurately manage and plan shop floor production.
You are a manufacturer or distributor, and your competitors are outpacing you, or you want to accelerate your operations to outpace them.
If you've checked even one of these, your company has outgrown QuickBooks.

What to Consider from an ERP Vendor

Achieving the type of success that elevates a business to require more than the simplicity of QuickBooks is something that companies should be proud of – not everyone reaches this milestone. But, if an organization is now to become more profitable and competitive in their marketplace, here are some guidelines as to what you should expect from your new ERP technology provider.

One important point of clarification: be sure that the new ERP provider can deliver these capabilities easily and inexpensively as part of the already-built software system. All software can be customized and re-coded – what is different between vendors is how much customization is available without additional time and money required to do it. Therefore, the three most important questions to ask regarding the capabilities are:



- What will the additional cost be for this customization?
- How long will this take to do?
- Can we do any/all of it ourselves without recoding?
- ✓ Consolidation of all key operational data into one system that does not require manual re-keying or entry of data to perform tasks
- ✓ Real-time, role-based (secure) views of all important operational activity
- ✓ Accessibility by multiple users, from multiple locations at the right cost
- ✓ More than ONE deployment option – vendors that are 'all cloud' or 'all on-premise' should be eliminated. Companies will be stuck with only one option as they grow or change requirements
- ✓ The ability to easily analyze and report on any set of data for any purpose – internal, external, regulatory compliance, financial, etc.
- ✓ User interfaces that are easily personalized and customized to your company or industry needs
- ✓ Operational workflows that are easily customized to your needs
- ✓ Flexibility to change anything: processes, regulatory or operational controls
- ✓ Audit/tracking of anything, anywhere, anytime, in real time
- ✓ World class customer service and support from a vendor that is a true partner

Additional Things to Consider When Replacing QuickBooks

- ERP Suite vs. a Disparate Best-of-Breed Approach: One of the most important decisions a company makes when upgrading from QuickBooks will be: Do you want to shop for individual software solutions that may be well known as being the best solution in the market within your industry and typically being extremely sophisticated to fit the largest companies, – or do you wish to gain most of your requirements from one holistic system? Since most mid-sized organizations have fewer resources (or a desire) to build large IT staffs, the most efficient path forward is to select an ERP provider with deep experience with companies of your size, within your industry and within your budget considerations. This way, not only will most of the requirements be built-in already, but other additional advantages may include:
 - Less Initial Programming: no requirement to build-in application programming interfaces (APIs) – these are necessary for a true "best of breed" approach with multiple vendors to allow data to flow between the disparate software;
 - Easier Change: when changes occur, such as the introduction of new products, processes, facilities, re-organization, regulations, re-coding the individual software pieces one at a time isn't necessary;
 - Fewer IT Resources/Spend: often times, choosing the best of breed vendor will result in either have more technology support in-house or outsourced to keep all the pieces working optimally.
- Larger vendor or smaller vendor: This decision is akin to the Goldilocks and Three Bears story – if you pick a vendor that is large like a Tier



1 vendor, a smaller, mid-sized company is likely not going to get the time and attention needed with this important transition off of QuickBooks. Selecting a vendor that is too small or unproven in your industry can run the serious risk of an unsuccessful deployment – which most mid-sized companies can't afford. Picking the 'right sized' vendor that has long-term proven experience in your industry will give your company the comfort it needs to take this important technology upgrade step.

Case Studies: SYSPRO Customers Who Replaced QuickBooks

Following are two testimonial examples from SYSPRO customers that have achieved impressive success and growth after replacing their QuickBooks systems. Additional customer references and industry testimonials are easily available from SYSPRO upon request.

SYSPRO Helps Fuel Growth for PermianLide

"SYSPRO's holistic approach means you get everything streamlined from one partner. These people are not only excellent at what they do; they also care about our company."

Joe Lucas, IT Director, PermianLide

The Company

PermianLide is the largest US manufacturer of above-ground storage tanks and processing equipment for the oil and natural gas exploration and production companies. The Texan-headquartered company has more than 37 years of operating experience with two well-known industry brands: Permian Tank & Manufacturing and Lide Industries.

A classic American story, PermianLide started as two smaller independent competitor companies (Permian and Lide Industries) in the 1970's, each growing to be a successful business in its own right, and ultimately merging in 2008.

Through aggressive expansion, collaborative streamlining of the two operations and the right enterprise resource planning (ERP) technology solution to support that growth, PermianLide now has eight manufacturing plants in Texas, Oklahoma and South Dakota.

The Challenge

Part of taking any successful company to the next level of growth and prosperity is knowing when, why and how to upgrade to a newer, stronger enterprise software backbone. PermianLide had spent three years using QuickBooks for its financial and reporting requirements plus some limited ERP capabilities.

By 2008, the company felt restricted by its QuickBooks technology capabilities. For example, its headcount had grown to between 400-450 employees, and QuickBooks' payroll solution required multiple systems to handle that volume. Employee records were in separate systems and impossible to track easily and accurately.



The goal was to have one customer file, one warehouse file, one employee file and one general ledger file. PermianLide began shopping for a replacement solution. In addition to SYSPRO, Infor, Microsoft Dynamics, Epicor and SAP were reviewed.

The QuickBooks replacement search began prior to the merger, so there was just one company involved. The initial scope was four locations with eight warehouses and two consignment yards. The goal at the time was to have thorough financial statements on each location, plus an aggregated view of the company as a whole.

Suddenly, the 'new' organization was going to be considerably larger: a total of 11 locations and 22 warehouses. Also, the new company merging in (Permian) wanted the same abilities that Lide was requesting (facility reporting, plus consolidated operations). The new combined company also needed a holistic view of the merged operations – at every level.

The Solution

Joe Lucas, IT Director of PermianLide, explains: "Prior to the merger talks, we had already cut our short list to Infor and SYSPRO after a three-month review cycle. We were ready to make our decision to replace QuickBooks with much wider SYSPRO operations, but then the merger took place and we decided to take a second look at the larger field of ERP providers that we had started with.

"The complexities of the various individual and joint operations across two separate companies immediately knocked out some of the vendors, like SAP Business One. Conversely, we were amazed at the sophistication of the analysis and reporting capabilities offered by SYSPRO."

The Result

Today, using SYSPRO, PermianLide has a comprehensive view of the two distinct sets of operations in a single view, with detailed reporting as required.

Specifically:

- Each branch has its own sales and manufacturing reporting, though the two can be rolled up for a consolidated view
- Lean manufacturing principles and actions can be evaluated and deployed on an individual, branch or company-wide basis
- Plants can be compared/contrasted for individual operational/financial success, allowing for faster remediations that impact the bottom line
- Sales production reports can clearly show which plants produced the goods and whether that plant sold it themselves or through a supply chain transfer
- Income statements clearly delineate the best performers more accurately; prior reporting had inaccurately shown high-performing plants' operational impact as problematic – through incorrect financial accounting

"We can now truly look at the operations of each of our two company lines and report income taxes independently - or collectively as mandated," Lucas says.



Commenting on the additional primary benefits of implementing SYSPRO, Lucas cited ease of use, customization, an open database, excellent reporting capabilities and superior customer service.

"Making the decision to leave QuickBooks was easy, but we put SYSPRO through rigorous paces in the comparison to Infor before we made our decision," Lucas says. "We had heard that SYSPRO's sales and implementation channel partners were very strong, but it was another thing to see the vast difference ourselves.

"Other organizations sell their software in one group, deploy with other people and train at another place. SYSPRO's holistic approach means you get everything streamlined from one partner. These people are not only excellent at what they do; they also care about our company." Today, PermianLide has been a happy SYSPRO client for six years and has 15 SYSPRO modules with robust capabilities to support this powerful mid-sized company that is a leader in its field. PermianLide is an excellent example of a company that found SYSPRO to be the perfect solution when they outgrew QuickBooks, and an excellent facilitator of growth through mergers and acquisitions.

Bodypoint Grows Business 300% After Replacing QuickBooks with SYSPRO

"The results are definitely there, and we felt that we had a great level of support to help us make the transition. We have grown the company nearly 300% since we began with SYSPRO over seven years ago – and we feel confident that we have the right partner to continue our rapid growth."

Dara Sayaphouthone, Accounting Manager, Bodypoint, Inc.

The Company

Bodypoint, Inc. is a classic American success story. Founded in 1991, the company develops and manufactures well-crafted, highly functional products for people using wheelchairs. Recognizing the close physical connection between a wheelchair and its user, Bodypoint wheelchair positioning products are designed to enhance postural support, encourage independence, and ultimately enable wheelchair users to reach their full potential.

Headquartered in Seattle, Washington, the 24-year-old company sells hundreds of products, many of which are patented original designs, to people throughout the world. Company co-founder David Hintzman states on the company's website: "At Bodypoint, we work every day to better understand the capabilities and aspirations of people who use wheelchairs. As we imagine, design and manufacture our products, we strive to bridge the gap between the hard and the soft, the inanimate and the living, to create a better connection between wheelchairs and people."

The Challenge

For 10 years, Bodypoint operated its business on QuickBooks. With a large and growing inventory of diversified products and growing geographic expansion, Bodypoint outgrew QuickBooks' capabilities. Specifically,



Bodypoint experienced the following obstacles using QuickBooks:

- Data integration/reporting issues - a database asset system that could manage inventory control and order entry, but that didn't fully integrate with accounting. This required duplicate manual entries.
- Scaling/growth issues - As the company's inventory and user community grew, its operations became more resource-intensive. The QuickBooks shortfalls did not support a strategy for implementing new processes that would yield greater productivity from Bodypoint workers.
- Reporting issues - the general lack of IT system integration/collaboration limited the ability of Bodypoint management to keep track of changing operational needs and opportunities. The lack of synergy made it almost impossible to identify areas that required immediate action or attention.

Bodypoint knew it had outgrown QuickBooks and hired a consultant to help with the search to find a more robust back office technology solution. Over a six-month period, the company reviewed several ERP solutions available to the mid-market manufacturing and distributions market, and ultimately selected SYSPRO.

The Solution

The SYSPRO software implementation integrated all Bodypoint departments – including sales, accounting, manufacturing, purchasing, inventory and shipping – under one IT umbrella. With all company departments fully integrated, company management had the ability to make rapid, effective decisions utilizing real-time data.

The Result

Today, using SYSPRO, Bodypoint has implemented new efficiencies that have made a substantial and financially measurable impact to its operations. Specifically, over a seven-year period Bodypoint estimates almost \$400,000 in bottom-line operational savings via a substantial reduction in manual entry programs tied to both accounting and shipping. The company also identified other additional operational improvements that have favorably impacted its top and bottom lines of financial performance.

"Our SYSPRO system always has all the answers we need; we can get any data we want or need out of the system for any financial or operational reporting purpose," says Accounting Manager Dara Sayaphouthone. "We had too many systems before, and QuickBooks was not able to bring everything we needed together in one place. Nor could it enable the integration and flexibility we needed to consider new business actions."

Bodypoint particularly appreciates the following capabilities of SYSPRO:

1. Customization capabilities – Bodypoint has leveraged SYSPRO's flexible and open architecture to personalize its SYSPRO application to several unique elements of the business, including:
 - Order Management - Automated language identification for instruction manual inclusion/shipping, replacing a cumbersome manual 'flagging' process that added extra steps;
 - Invoicing - Automated daily invoicing, averaging 500 or more per week, that used to require approximately 40 hours a month of manual labor; and



- Financial Reconciliation - Automated reconciliation between bank statements and internal financials, which has been reduced to a 15-minute 'quick review' operation.
- 2. Data collection capabilities – “Using SYSPRO, we can easily see and compare anything from our operations, activities, etc., for any time period,” Sayaphouthone says.
- 3. Customer support and service – Moving from one software solution to another always requires a learning curve and change. “While change is never easy, gaining the operational efficiencies and growth support was worth it,” states Sayaphouthone. “The results are definitely there, and we felt that we had a great level of support to help us make the transition. We have grown the company nearly 300% since we began with SYSPRO over seven years ago – and we feel confident that we have the right partner to continue our rapid growth.”

About SYSPRO

SYSPRO software is an award-winning, best-of-breed Enterprise Resource Planning (ERP) software solution for cost-effective on-premise and cloud-based utilization. Industry analysts rank SYSPRO software among the finest, best-in-class enterprise resource planning solutions in the world. SYSPRO software's powerful features, simplicity of use, scalability, information visibility, analytic/reporting capabilities, business process and rapid deployment methodology are unmatched in its sector.

SYSPRO, formed in 1978, has earned the trust of thousands of companies globally. SYSPRO's ability to grow with its customers and its adherence to developing technology based on the needs of customers is why SYSPRO enjoys one of the highest customer retention rates in the industry.



www.syspro.com

Africa and the Middle East

SYSPRO Africa
Block A
Sunninghill Place
9 Simba Road
Sunninghill
Johannesburg
2191
South Africa
Tel: +27 (0) 11 461 1000
Email: info@za.syspro.com

Canada

SYSPRO Canada
4400 Dominion Street
Suite 215
Burnaby (Vancouver)
British Columbia
Canada
V5G 4G3
Tel: +1 (604) 451-8889
Toll free: +1 888 259-6666
Email: info@ca.syspro.com

USA & Americas

SYSPRO USA and Americas
959 South Coast Drive, Suite 100
Costa Mesa
California
92626
USA
Tel: +1 (714) 437 1000
Toll free: +1 800 369-8649
Email: info@us.syspro.com

Asia Pacific

SYSPRO Oceania
Suite 1102, Level 11
201 Miller Street
North Sydney NSW 2060
Australia
Tel: +61 (2) 9870 5555
Toll free: +1 300 882 311
Email: info@syspro.com.au

SYSPRO Asia
8 Eu Tong Sen Street
#19-91 The Central
Singapore
059818
Tel: +65 6256 1921
Email: info@sg.syspro.com

UK & Europe

SYSPRO Europe
Baltimore House
50 Kansas Avenue
Salford Quays
Manchester
United Kingdom
M50 2GL
Tel: +44 161 876 4498
Email: info@eu.syspro.com