



WHITEPAPER:

5 impacts disparate systems have on your business

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5 IMPACTS DISPARATE SYSTEMS HAVE ON YOUR BUSINESS

Understanding what disparate systems are, and how they impact business growth is critical in allowing a business to overcome a very common hurdle; having data all over the place. Using one accounting solution to track debtors and creditors, generate invoices, create your BAS summary, and run reports seems logical. In fact, it's often one of the first types of software businesses begin to use.

But as things become more complex, so do the requirements of your accounting solution. For example you may want your salespeople only see the information they need, like customer details, stock availability and pricing. Likewise, a project manager isn't interested in aged debt, but needs to know who's assigned to a project and how that project is tracking against plan.

Most businesses start to look towards add-ons to their accounting software. This can be as simple as a series of Excel spreadsheets, or as complex as a 3rd party solution that's 'integrated' into your existing accounting solution.

WHAT DOES 'INTEGRATED' ACTUALLY MEAN?

An integrated 3rd party solution will often post information to the accounting software, as a General Ledger record. The hope is that this happens automatically, but it often requires exporting a file from one system and importing to the other via manual intervention. The difference between this type of integration and a single business management solution is in the detail and access to your information.

For example, if you wanted to drill into the latest General Ledger record posted from a 3rd party add-on, you'd typically have to run the report in your accounting software, understand what you wanted to look at, and then run a similar report in the add-on software to get access to the detail. This manual intervention is not only time consuming, it makes getting core information difficult, often resulting in errors and the data not matching up. But what are a few dollars here and there when we're talking about hundred thousand dollar projects?

With a single business management solution, all of your data is housed in one database. If you want to drill into that General Ledger line, a double click brings up all the information on what generated that entry, the links to the debtors invoices, creditor information, stock, labour, materials. Whatever it is that made up that entry will be accessible. With this information to hand it's easy to see how much faster decision-making can become. Not only are you faster to act, but you can trust the information you're acting upon.

Standalone accounting software is extremely good at what it is designed to do, however once a business becomes larger and requires additional functionality such as a CRM, Job Costing or even multi-company reporting that standalone accounting software often becomes a hurdle in their growth.

5 IMPACTS OF DISPARATE SYSTEMS AND HOW A SINGLE BUSINESS MANAGEMENT SOLUTION CAN HELP

1. Time wasted from multiple data entry

It's a fairly simple proposition. When information is stored in one database it can be found easily and reports can be generated faster. As a result, planning and forecasting becomes a much simpler process. When you need to find out which areas of the business, products or jobs are the most profitable, it's a simple search with a single business management system, rather than a fully-fledged reconnaissance mission. You'll have better insight into relevant processes and faster answers to questions like 'Where is the business at? Where are the gaps and overlaps? And what projects need extra attention?'

The speed with which you're able to resolve customer enquiries (for example the availability of a product) leads to improved customer satisfaction. And customer relationship management can also be handled more professionally. Data is accurate across the organisation and employees have access to real time data (accurate reflection of changes) – so there's no time consuming double checking, consolidation or comparing of data required.

One of the biggest downsides of having multiple systems is that IT management can become a nightmare. Customising these systems, integrating them and maintaining them with patches and upgrades can be complex, costly and sap critical time.

With a single system, the time you save can be spent concentrating on core business activities and improving the business. You'll also have more time for future planning, strategy, business development and competitive analysis with the burden of paperwork and finding or consolidating relevant data taken away.

2. No single source of customer information

Having customer information stored across different systems makes it nearly impossible to gain a complete and accurate picture of your business.

A salesperson might be able to see previous orders and shipping addresses, but if they can't see that the customer hasn't paid their last four invoices and finance are no longer extending their credit, they'll be spending time on a sale only to have it cancelled as soon as the order is raised.

Having customer information stored in one place enables every staff member to access the information, and also act upon it quickly. If a client calls to ask where an order is, whoever they happen to speak to can find the order quickly, see when and how it was shipped and provide a tracking number. Without all that information in the one place, this same customer may have been passed between different departments and had to wait much longer to get an answer.

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3. It's difficult to run reports

When systems run separately, processes that are meant to ensure a company runs smoothly can become more complex than they need to be. If you need to pull reports from multiple systems to collate them into one report, it's not only time consuming but invites the possibility of errors because it's done manually.

Because these systems are separate, they often require other tasks to be completed to run a report. For example if you use an external stock and warehousing system, and you want to run a General Ledger report in your accounting software, you'd need to pull information from the stock system to get a figure for stock on hand, and the value of that stock. If that system has restrictions on when this report can be run, and your accounting software only allows you to run the General Ledger report after closing out a month, the ability to make decisions based on this information will constantly be delayed.

Accurate, fast and reliable data exchange between departments is required to ensure optimised operation and performance. Without accurate data from sales, inventory management may suffer, while not having the latest information from accounting can trigger a ripple effect on everything from marketing budgets to payroll.

With a single source of information containing accurate, real-time data, a business management solution breaks up bottlenecks, helps staff make better decisions more quickly, and frees up their time to work on more high-value exercises like helping the business grow even faster.

4. Data entry errors

Entering data across multiple systems can often lead to inaccuracies that cause major issues for your business. Imagine a customer's order being shipped to the wrong address because the shipping system hasn't been updated to sync with the order entry system? These mistakes can cause severe issues for your business and even financial loss.

A single integrated business management solution simply wouldn't allow this costly mistake to occur. This is because it forces users to assign any data entered to a particular task, ensures the availability of consistent data across the organisation and prevents users from double data entry.

Having one business management system also means you only enter data once, and even that one time is less likely to produce errors. For example: If you're creating a sales order you'd be able to see the current stock levels and pricing as you're selecting the items. If you're manually writing a sales order and sending that to an admin person who re-types it into accounting software, there's a risk of mistyping information, the stock being unavailable or the pricing the sales person used being incorrect.

5. Unnecessary added costs maintaining multiple systems

Maintenance is a key driver of the success of your business management system. It's also a key component of the overall cost involved. One of the most common challenges posed by the management of multiple systems is the fact that companies are required to pay for the services of multiple system providers.

The cost and hassle of maintaining support agreements with various providers can also lead them to play the 'blame game' - one company passes the blame onto another and they do the same, leaving you as a client without the support you need.

This is common with telephone lines. If a line has a fault on it, it's usually a Telstra or Telecom New Zealand line, but your bills may come from another provider. You call them to fix it, they request the same of Telstra or Telecom New Zealand and as the client you simply wait. It's not in either of the latter's interest to fix your line as you're not their customer. One system that manages all of your business, means one company is responsible for its support.

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HOW YOU CAN GAIN INSIGHT AND CONTROL

Overall your business will benefit from a well-designed and well-implemented business management system. You'll be able to make more informed decisions, access detailed information faster, prepare key reports automatically and track transactions as they occur. You'll also be able to see daily sales, stock levels, accounts receivable, work in progress and a host of other key performance indicators 'at a glance'. You can prepare customised dashboards for specific roles, working groups and managers.

With a single integrated business management system you can spend your time looking after your business instead of looking for information.

WANT TO FIND OUT MORE?

This whitepaper was produced by MYOB Enterprise Solutions. To find out how [MYOB EXO Business](#) has helped companies like yours, why not read one of the [client success stories](#)? If you'd like an implementation specialist to visit you to discuss how EXO Business can help your business grow, please [register your details](#) and an MYOB team member will contact you.



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