

Selecting Accounting Software

The Personnel Approach

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Abstract

Although a great deal of emphasis must be placed upon the technical side of selecting accounting software (workstations, servers, network software, cabling, printer selection, transaction volume, speed, etc.), it does little good for a company to spend \$50,000 or \$500,000 on a project if the people who will be using the accounting system cannot or will not operate it effectively.

Introduction

What happens if you spend hundreds of hours on a software selection project and thousands or hundreds of thousands of dollars on software, hardware and services and seem to accomplish little, if anything?

While you might be inclined to place the blame on the users themselves, please do not react quite so quickly. The selection of accounting software must be based upon three critical decisions.

- *Does the software do what I want it to do?*
- *What operating and hardware configuration do I require?*
- *And finally, do my employees have the ability to utilize this software effectively?*

This article will deal in part with the first consideration, but concentrate on the people side of automation.

The Prime Objective

If your company is going to grow and prosper, you must have certain tools to assist you. One of these tools is information. Companies use information to control day to day operations relating to the production of goods and services. In addition this information can be used to control cash flows. Finally this information can be combined with managerial experience to make sound business decision.

The negative side of this equation is that this information will be of little practical use if the "system" (manual or automated) does not operate effectively. The accounting process must be efficient, less the information produced is almost totally ineffective. The real key to automation then should be the efficient production of meaningful information which will assist businesses achieve their goals.

The Personal Needs Definition

Software systems do not make decisions. People do. If people are not provided with the tools they require to make these critical decisions, it is very likely mistakes will be made. Some of these decision making responsibilities are imposed upon them by the market in which the company competes. Some are imposed by the owners or managers interpretation of how the business should be operated. However, the methods by which these decisions are made can only be formulated by each individual person, and that is where the software/human relationship becomes so critical.

Each person in any company is unique. That's our nature. Therefore, the methods by which decisions are made, or tasks carried out, are unique as well. While there are some common steps by which people carry out their job responsibilities, for the most part each person must decide for themselves what they require to be an efficient and effective member of the organization. It is only under this assumption that we can evaluate accounting software, or any software for that matter.

Given all of the above, the critical elements in defining just what an accounting product should do must rest in part upon the unique needs of each person with whom the system will "integrate". In my consulting practice, I advocate a two step approach to the preparation of a needs definition, and the first step must analyze the needs of individuals.

Each person who will be processing information must be given the opportunity to express their personal needs, for it is these people who will be required to operate the system. Further, each manager who will be making decisions based in part upon the information produced by the system must express their reporting needs as well. It is only after these needs have been recognized that the broader corporate needs should be defined.

The Corporate Needs Definition

If automation is to assist companies control their destiny, the system selected must carry out certain responsibilities. These tasks are based upon the nature of the business itself, the mix of products and services sold, and the market in which the business competes. At the core of these considerations is a clearly understood definition of what the company must do well in order to succeed. If these corporate objectives are not fully defined, it matters little what product is selected for the basis upon which the selection is made is fatally flawed.

A Corporate Self Evaluation

Many automation projects fail to achieve all of their objectives, or fail altogether. While a convenient scapegoat is the hardware or software, the real problem lies not in the software, but in the manner by which this system is operated, and what goes on around it. The way a company organizes itself, and controls the flow of information into and out of the software system, determines to a large degree how successful that system will become.

As individual people define their needs, please do not limit their responses to factor relating only to the software itself. Let them express their needs with respect to how they fit into the system, what information they require from other people, where potential bottlenecks may occur, and in general how the manual side of the accounting process should be managed. The fact that you are automating does not eliminate the need for manual accounting procedures, and it is these procedures which might have a negative impact on the effectiveness of the new system. Please do not forget this critical step.

Human Comfort

Why is it that some people swear by a particular accounting system, while others believe it is seriously flawed? The answer is quite simple. One person sees the system as a friend, while the other does not. This impression determines to a large extent how effective the system will become in real life, and it is for this reason that I place such emphasis upon evaluating feelings as well as features when working with my clients.

All people, whether they have had computer experience or not, have developed some personal definition of what they consider to be a "good" system. If the system you purchase meets these pre conceived notions, the task of learning and operating the system will be relatively easy. If the system does not make sense to them, errors will be made. One of your tasks must be an evaluation of the degree of fit between your employees and the systems you are examining.

One thing you cannot do is to impose a system upon people. They must feel as though their opinion is as important as others, and that the system will assist them personally. While you might argue that first impressions can be changed over time, consider what might be happening in the meantime. Any computer system can seem quite a daunting challenge to some people. The operator, whether it be accountant, bookkeeper, or clerk can be suffering in some considerable silence. This suffering might reach the point where the person is willing to consider another job.

No amount of patience, encouragement, or training will reduce this suffering. Mistakes will begin to occur more frequently as well. If the person does not leave, you may have to face the grim decision that their mistakes can be corrected only by removing them from the job. Has this achieved anything positive? Certainly not. If too many critical people in the organization resist the system, you can consider the automation project a complete failure. That's why this evaluation of personal needs is so very important.

Human Abilities

Before proceeding much further, let's discuss the "who" of this evaluation process. Any multiuser accounting system will be operated by a number of different people with different job functions and different skill levels. The larger the system becomes, the more diverse these individual abilities become, and the more critical an evaluation of their relationship to the system becomes.

Let's take an extreme example. Your company is a large distributor with several warehouses. Perhaps the least skilled person who might be called upon to operate the system is a warehouse manager or even a shipping or receiving clerk. Does the system meet their needs? Does the menu structure segregate their input screens into one logical area? Does the language used, particularly Help Screens, talk to them on their skill level? Will the processing methodology make sense to someone with their relative skills and educational background?

This evaluation should be carried out for each group of people using the system. Do many companies realize the importance of this evaluation process? Do many software companies recognize the need to cater to people with less education than a bookkeeper or accountant? The answer to both questions is probably not. Is this evaluation critical? Absolutely.

Training

Our last consideration will be training. I cannot emphasize enough the importance of training. If you want to reduce errors, particularly those resulting from a lack of experience with the new system, you must invest as much as practical in training yourself and all of your employees. If the investment in training appears formidable, you should not have considered the purchase of the system or any system.

Depending upon the vendor you have selected to provide your accounting system, you will probably have several options open to you. If your system is a large multiuser installation, you might want to consider sending several people to a regional or national training seminar lasting several days. While expensive on the surface, this intensive class room oriented environment will enable these people to develop a detailed knowledge which can be passed on to others.

Demonstration programs are excellent training tools. An even better one is a dummy company with your own Chart of Accounts, vendors, customers, and employees. This provides people the opportunity to experience a "real" data processing environment without running the risk that errors will lead to catastrophes.

Please do not forget the fact that one of the best reference tools available to you will be the manuals provided with the system. These should be your bible. Many companies fail to even open the first manual, depending instead upon the local reseller, or an assumption that they know enough to operate the system without having to read through some dry and boring text book.

One last point should be discussed with respect to training. Some people will find it difficult, if not impossible, to make the transition to an automated environment, or from one automated system to another, perhaps more powerful, one. While you might wish the system could be installed with minimum problems, this may be your greatest problem. If the installation of an integrated accounting system is the best alternative for your company, what is to be done with those people who cannot, or will not, make the adjustment?

You must face the very real possibility some people may have to be replaced. It's not a very pleasant thought, but do not delude yourself into thinking all people will be as excited about automation as you are. Business is not easy sometimes, and this is one of those times. I do not like the idea any more than you do, but changes may be necessary for the good of the company and its employees.

Summary

What do people have to do with the success of an automation process? Everything. The system will be operated by people, and it is their ability to operate the system effectively and efficiently that will determine your long term success. While the accounting system you purchase must have certain features which relate to corporate goals, please do not forget the needs of each person who will be using the system on a day to day basis.

The manual flow of information into and out of the accounting system must be evaluated as well. Automation will not replace that function any time in the near future. In addition, people must understand what is required of them in this new environment, must be given the tools and the training to carry out these new tasks, and must see the system as a friend rather than an adversary. In the end, the people side of the equation is perhaps more important than you might have first imagined.