



# Jiwa

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The definitive  
guide to making a  
Business Management  
System transition



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# Introduction

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## Welcome

Selecting the right software to manage your business is one of the most critical decisions you will ever have to make. This guide has been created to provide mid-market companies with the essential information and questions that you need to consider when making an informed decision about:

- Why you should be looking at a new business management software system
- Selecting the right system for your business
- Choosing the right technology partner to set up your business management software system

It also includes a host of hints and tips to make sure the whole process flows smoothly.

## Do you really need to change?

It's amazing how many small-medium businesses underestimate the importance of their business management software to the overall efficiency and growth of their business.

Many are quite content to keep using an accounting system that is slow, inefficient and completely out of date.

There are probably a few explanations why. It's comfortable to use something that you know and understand and there may also be an element of fear involved with switching to something new and unknown. Plus, there are significant time and resource issues, including the cost to change and the time needed to learn the new system.

But being comfortable won't always cut it, especially when the financial health and long-term success of your business is at stake. It is very likely that many of your competitors have already embraced a new system.

## Take a good look at yourself

Too many businesses fail to take the time to have a good look at how they are currently operating and be realistic about their own performance.

When beginning to consider new software to manage and help grow your business, here are some good questions to ask yourself about the existing state of your business (and be realistic about your responses).

How efficiently is your business functioning now?

- Are your competitors more efficient than you?
- Could you make improvements?
- Where?
- What impact would these improvements have?
- In what period?

Think about your current procedures

- Are you double handling?
- Are you using paper-based procedures?
- Do you have procedures that have not been reviewed for more than three years?
- Are these procedures still working effectively?

Are you using multiple applications to complete one task?

- Using spreadsheets because existing system can't cope?
- Having to export information because of inadequate reporting?

Are your internal procedures affecting relationships with your customers?

- Are orders taking too long to fulfill?
- Are you dispatching orders efficiently?
- Can you quickly answer customer enquiries regarding stock, deliveries etc?

Is your current system the cause of frustration or inefficiency?

Have you outgrown your software? - Your business management software is reaching its limits when sluggish performance is a constant.

Have you ever wished for one integrated system that could do everything that you need and want it to do?

If you answered yes to any of the questions above, it really is time for your business to consider choosing new business management software.

**Being comfortable won't always cut it, especially when the financial health and long-term success of your business is at stake. It is very likely that many of your competitors have already embraced a new system.**

## Before you go shopping

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### **Do your homework - understand your business management software system needs.**

Before you go shopping for your new business management software, make a list of all the challenges you are experiencing with your current system - basically, what you'd like the software to be able to do but are unable to do now.

Divide the list in two. Your top 10 must haves and the top 10 like to haves.

The must haves are the functions which the new software must be able to perform to meet your needs. If the new software can't meet these then look for alternatives.

The like to haves are the functions that you'd like the software to have but are not critical. i.e. your business could live without them if need be.

Be absolutely clear about which things go into your must haves and like to haves lists. This will save making incorrect decisions based on a flawed assessment of your business needs.

Use this final list as your benchmark. The new software which is right for your business is the one that can meet all your must haves and some of your like to haves virtually straight out of the box.

### **Four common mistakes businesses make when selecting business management software**

#### **Not doing enough homework**

Selecting business management software takes time and effort. Good information and careful analysis will be critical to choosing the best business management software for your business.

#### **Misusing accounting software**

Software should be used to measure what has happened, not to plan and predict what should or will happen. The software should be used by an array of people both for data input and extraction. Don't select a system that won't provide detailed reporting and other company-wide information. Well-designed software will be easy for all staff to use - from the CEO to the data entry clerk and warehouse staff.

#### **Minimal involvement in the process**

Senior management and other key personnel within the business must be involved in the selection and implementation process. Never rely solely on a consultant's recommendations or input.

#### **Expecting the new business management software to solve all current problems**

Automating accounting and related functions will improve many operational processes in your organisation. However, this is not an instant fix. Better systems are only as good as the intelligence and motivation of the people using them.





## Selecting the right software for your business

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### What to look for when choosing new business management software

All accounting systems perform essentially the same core functions. It's how they perform the functions and the extra flexibility and capacity within those functions that differentiate something that will scale and last, versus something that will force your business to look for another software within a few short years.

### When looking at business management software, there are several areas that you need to investigate to ensure that you are choosing a system that:

- Is intuitive, simple and easy to use
- Can be easily customised to suit the needs of your business
- Can be adapted to changes as your business grows
- Is based on industry standard technology to avoid being locked into complex technology upgrades downstream

### Things to consider about the software vendor

There are many vendors out in the market place and all have plenty of claims to fame, which makes choosing the right vendor (or brand of software) more difficult.

Often, vendors speak about the size of their installed base as a measure of the credibility of their brand/product. Some quote hundreds, others

quote thousands - but is this a good yard stick? If the thousands of users are all one- or two- person organisations, does this make the software relevant to your medium-sized business needs? Or if the thousands of users are mostly based in foreign countries with different accounting and reporting requirements, are they relevant to your needs?

### When selecting the vendor, ask these questions

- Which companies are using their software?
- Are they well known and respected companies?
- Are any of them companies in your industry?
- How many companies in your industry are using their software
- How easily can they arrange a reference or site visit?

Well established brand name businesses have a reputation to uphold and will be stringent in their choice of software partner. If the vendor's software seems to be the software of choice in your industry backed up by satisfied clients (particularly brand name clients) then this is a good indication that you may have found the right vendor.

### How comprehensive is the vendors upgrade path?

Good software companies invest in engineering and develop regular product enhancements, updates and bug fixes. A solid, ethical software manufacturer will aim to stay abreast of new technology to ensure that the customer can continue to scale easily and painlessly as their business grows.

## Are you going to run the new software in the Cloud or on Premise?

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**Cloud** - to run in the cloud or on premise is dependent on several factors.

**Data** - Are you happy having your data in the cloud. This is a choice - a yes/no. You could argue each way with many points but in the end, it's a choice. If you are OK with having your data in the cloud, then it's a yes, and if you aren't happy with having your data in the cloud it's a no.

**Backup** - is more secure from backup in the cloud than on most on-premise systems

**Equipment** - Have you already got good equipment that can run your new system - if you have, then you may want to use that equipment for its serviceable life.

**Internet Speed** - if your internet connection is slow, then your options are reduced, cloud may be too slow?

**Multiple Offices** - this would mean that you would need the system to be connected to the internet and highly available. For on premise systems - your internet "up" speed is the branch office's "down speed". Use [www.speedtest.net](http://www.speedtest.net) to check your connection.



## Things to consider about the product

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**Extensibility** – this is the ability to extend functionality within the software to suit specific business requirements.

Good software will allow you to extend functionality easily using tools like Microsoft's Visual Studio – giving you the ability to make changes. Look for these things:

Development tools within the application – can code be written inside the application to respond to events and modify fields/records? -i.e. gives you the power to customise the application to suit your needs

Custom built modules - can they be built using standard technology to create entirely new forms and modules?

**Scalability** – can the software be expanded as your business grows? Does the software vendor have a suite of additional products that you can add on to enhance the existing software as your business needs become more complex?

### Consider things like:

- What optional modules in addition to core modules are available?
- Are there web cart and e-commerce capabilities and integration?
- Will the interface of the add-on products remain the same? (reducing the amount of training needed)
- How affordable are the add-ons?

**Ease of use** – You want a business management software solution that's simple, logical and easy to use. Information should be able to be entered quickly and efficiently.

- How simple and easy to use is the software interface?
- How easily does navigation take place?
- Is the software easy to customise to cater for the needs of both the company and its individual users?

- Flexible search functionality – How quickly can you find the information you need to see in the software?
- Does the software allow you to drill down to more detailed information and follow a train of thought rather than having to open different areas of the software to get at the information you need?
- Capacity – What is the maximum number of customers, vendors, or inventory items it can handle? How many line items can be included in a single invoice, sales order, or purchase order?

**Reporting** – the software should use an industry standard reporting engine. Also look for:

- Comprehensive set of standard reports that are easy to customise and suit your needs
- Easily developed, low cost company specific / customised reports

**Hint:** Talk to your accountant about any specific requirements they may have

**Audit trail** – how are users stopped from deleting or otherwise losing important data? The system should provide detailed audit trails to track who is making each change.

**Security** – the software should allow you to specify which operations each user can perform at any given time. Some systems will even provide a report to verify what was performed and by whom.

**Web Services / REST API** – Representational state transfer (REST) or RESTful web services are a way of providing interoperability between computer systems on the Internet. This is technical but you need this piece. A REST API opens the software so that Web Sites, Pickers, Warehouse Management Systems, Field Service and the like can be connected to the software.

## Things to look for in the core components:

Below is a table of key "must have" features. It will be beneficial to ensure that any software you choose at the minimum meets at least 80% of the requirements.

| General Ledger  | Inventory                                      | Debtors Ledger & Sales Orders            | Creditors Ledger & Purchase Orders         |
|---|--|--|--|
| Multiple levels of reporting  | Size / Colour / Style capability               | Flexible open item transactions          | Open item invoices                         |
| Cash Book analysis  | Serial number and batch tracking               | Multiple sales groups                    | Purchase order control                     |
| Multi company consolidation   | Up-sell products reminders                     | Unlimited sales history                  | Multiple suppliers for one product         |
| Client determinable account codes   | Multiple warehouses/<br>Multiple bin locations | Central billing support                  | Comprehensive supplier details             |
| Multiple accounting periods per year  | First in first out                             | Delivery and freight forwarder addresses | Multiple warehouse capability              |
| Year-end flexibilities<br>- enter next year's transactions whilst previous years ones remain open for end of year adjustments | Long part number capability                    | Recurring invoices                       | EFT produce aba file and remittance advice |
|   | Ability to change part numbers                 | Cash sales tracking                      |  |
|   | Expiry date control                            | Superior credit control                  |  |
|   | Extensive pricing capabilities                 | Auto backorder allocation                |  |
|   | Non-inventory items                            | Backorder queue maintenance capability   |  |



## Selecting the right implementation partner

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Installing new business management software requires time and energy. No matter how brief the implementation period, it creates a one-off demand that few companies are equipped to deal with. This is when an implementation partner or consultant can help.

Consultants' businesses vary in size from 1-man operations to teams of staff. Knowing the size of your consultant's business is important to assessing their ability to implement your new software efficiently.

Think about the size of your business and whether the consultant has the resources to implement your new software in the least amount of time possible and cause the minimum disruption to your business as possible.

Check whether the consultant has experience in your industry or even with similar sized businesses. It may help them to better understand your needs.

Here are some other important things to consider when choosing a consultant;

### **What are the consultant's credentials?**

The consultant you choose should not only know their way around a computer but also have a good understanding of accounting, business processes and computer hardware;

- Are they a qualified accountant (CA or CPA)?
- Do they have Microsoft certification (MSCE)?
- Ask the consultant about their experience
  - do you feel comfortable with their answers?

### **Talk to the consultant's customers.**

Find out how other business management software implementations have gone. Ask for the good and the bad points about their projects. Are they servicing any big-name clients?

### **Does the consultant understand your business?**

Any consultant you choose must take the time to learn about your organisation, its requirements and the way it operates before they can make any recommendations.

### **Do you think you can work with the consultant?**

Purchasing business management software is a business transaction; however, the consultant you choose will be working with the operational aspect of your business for quite a long period of time. Hence, it's important to find a consultant who you enjoy working with, who is a good fit with your company's philosophy and culture, and who you feel will provide the necessary expertise and consultation in a professional way. Consider the consultant's expectation & management style. Do they over-promise and under-deliver or vice versa?

### **Is the consultant there for the long haul?**

Installing software is only the first step. Training, technical support and maintenance require a consultant committed to a long-term relationship.

### **What kind of technical support can the consultant offer?**

If something goes wrong you need to know that your consultant will be there to fix the issue. If you have questions, can they provide advice and support when you need it? Find out what hours support is available. What happens if a problem arises after hours? Can they guarantee a response time for service calls? Are there a variety of service plans available and if so, what are their charges?

### **What sort of ongoing service will the consultant provide you with as your business grows?**

- How many staff are trained on the software you are considering?
- What other services do they offer (e.g. other systems)?
- Who will be the primary consultant looking after your business?
- Are you dealing only with the salesperson or the person who will implement the software?
- If you are dealing with the implementer, to what extent will they stay involved with the project?

## Before you sign - some important considerations

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### Speed and cost of installation

Installing new business management software is a major undertaking. A key issue to understand is how quickly and efficiently the new software can be installed. In general, the longer it takes to install the software, the more costly the installation process becomes—and the greater the possibility for errors or other interruptions to your core business.

Ask your consultant or software vendor how long it takes for a standard installation and what factors may increase or decrease the amount of time needed.

Do they have a comprehensive implementation plan which outlines when the relevant phases of implementation will be finished?

A good consultant will be able to give you reasonably accurate dates for completion of each phase of the implementation along with a firm go-live date.

Ask the consultant if they have a fixed price implementation plan. A good consultant will have an accurate implementation plan backed up by a fixed implementation cost to give you complete peace of mind.

A good consultant will be able to offer a fixed price implementation because they've:

- Taken the time to understand the needs of your business
- Developed an implementation plan which addresses those needs
- Got the confidence to know they can do the job on time and on budget.

**Be wary of consultants that can't give you a definite time to complete but expect to keep billing you until they finish – you may be rewarding them for their inefficiencies.**

### What sort of training is on offer?

Even the best software can be a problem to the business if the staff is not properly trained to use it. People are the key to the success of any business management software program. Good staff training is essential and provides the information, practice, and involvement needed to get the most out of the software.

Please note that different people within your business will have different skills and levels of experience with computers; one training class will probably not be the right for every system user. Ask your consultant or software vendor for a training plan that will get everyone up to speed (at his or her level) quickly.

### What sort of Go-Live and ongoing support is on offer?

Talk to your consultant about a post-implementation handover plan. It will be particularly critical for your consultant to remain involved as part of this plan. Your consultant will be especially necessary to your organisation during the first few days/weeks of your new system going live, particularly as your staff "cut over" from using your old business management software system to using the new one.

### Once you've received the implementation proposal

Set aside some time to go through the proposal with the consultant. This will give both parties the opportunity to work out anything which may not be clear and set the parameters (expectations) for the implementation.

You need to be sure you are going to get everything that you are paying for and this is the best way to go about being sure.

## The implementation process.

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Once the software and consultant have been chosen, implementation can begin. This is the time when your software is installed and loaded with information about your business. Fine tuning will be done to make sure that it all operates effectively. It's a critical phase and the one that is most likely to cause some disruption as staff receive their first exposure to the new system.

Here are some things to bear in mind which will help you understand the implementation process and help avoid a disaster during implementation.

### Before the implementation process begins

#### Involve the right people

The business management software system is at the heart of information used throughout the business. Don't underestimate the impact that a change of software can have on the warehouse, sales and marketing, and even on customer service staff.

Keep all departments informed of progress right from the beginning and consider establishing a steering committee to assist in the implementation process.

It will greatly facilitate the implementation if you nominate one staff member to "Project Manage" the implementation. This will provide a single point of contact for your consultant, ensure that all issues are addressed and give you better control of the process.

These are, in general, the people whom your Project Manager should involve in the implementation process:

- System users
- Line managers
- System sign-offs
- IT staff

### During the implementation

#### Don't rush

Remember that implementation is a one-off event. Getting it right is more important than halving implementation time. You'll only cause staff stress and resistance to change if you push too quickly.

#### Choose a slow time of year

Implementation will take time. Don't choose your busiest time of year to convert from one system to another or to go live with your new software.

#### Gradual or big bang?

Going live with a new system doesn't have to happen all at once. It may be better for your business to start using the software in a series of staged phases. Talk to your consultant about the best options for you.

#### Communicate

Now is the time that staff will notice – and most likely – query or even resent change. Make sure the project manager/ steering committee is doing the job and that information is communicated to those who need it. Ensure that training is timely and users are kept well informed.

#### Review the software after it's up and running

The odds are, staff will request changes to the software. These requests come from lack of familiarity and can be expected in every implementation. Encourage the feedback but resist the temptation to request expensive modifications before the system is fully up and running and your team are comfortable with how it works. Review it in its entirety so that you can make informed decisions and minimise customisation costs.



## General Installation Procedure

Following is a general outline of the phases of a common implementation. The outline will give you a brief overview of what to expect to happen in each phase along with things to watch out for, early warning signs that your implementation may be in trouble and what to do about it before it goes completely off the rails.

### PHASE 1 - Review processes

Much of the review of procedures and workflows will happen during the sales process as the consultant seeks to find out as much about your business to give you an accurate quote and to help them plan out the implementation.

The review process during the implementation is focused on gathering enough information about your internal procedures so that the software can be configured to accurately reflect your current workflows and procedures

Once the review is completed, documentation of the procedures will begin.

#### What to watch out for:

Is the consultant listening to you during the critical phase? Your consultant should be paying detailed attention to your needs and offering advice and / or solutions to any potential problems.

#### WARNING SIGNS:

If your consultant is struggling to make the amendments to your system or is attempting to bypass your requests with workarounds, this could be a sign of trouble.

### PHASE 2 - Initial install & data transfer & creation of your database

Phase 2 involves the initial installation of your software and the creation of the initial database and a test database. The test database is important because it will allow your staff to become more familiar with the new software without affecting your new software.

Phase 2 generally follows this procedure:

- Install software on server and workstation/s
- Set up initial and test databases
- System configuration / user set up
- System customisation / system maintenance
- Standard form customisation
- Client data importation
- Proposed accounting / transaction migration
- Initial training

#### What to watch out for:

As with all phases in the implementation, your consultant should be keeping you well informed of progress and seeking your input on key areas. Keep an eye on the customisation and system / user setup to make sure the software is being configured to your specification.

#### WARNING SIGNS:

If your consultant is struggling to create a database that will fulfil the 10 'must have' functions that you identified when selecting the software or is attempting to bypass your requests with workarounds, this could be a sign of trouble.

### PHASE 3 - System testing

This is probably the most important phase in the implementation. This phase involves the consultant testing all the components of the software along with any modifications / customisations that have been made. They are testing that the system is functioning in the way it is supposed to and that any modifications/customisations are also functioning as intended.

The usual areas that are tested are:

- Sales Orders
- Creditors
- Purchasing
- Cash Book
- Manufacturing
- Debtors
- Inventory
- General Ledger
- Landed Cost
- Service Manager

#### What to watch out for:

Make sure your team and the consultant have thoroughly tested the system to ensure that all areas are functioning correctly. Failing to conduct thorough testing will result in down time if bugs appear after going live.

#### WARNING SIGNS:

Your consultant should be able to resolve any issues that come up in the testing phase. If they cannot resolve them, then you need to take action to make sure that these are resolved before proceeding further.

### PHASE 4 - Final install

This is the final stage in the process where everything is checked and double checked just one more time to make sure that the system is ready to go live.

Training is usually consolidated and finalised during this phase.

**NB** each consultant will have their own training regime which may follow a different process to what has been outlined here.

Processes in Phase 4:

- Final software installation
- Staff Training
- Data Migration - Go Live database
- Data Entry
- Accounting Reconciliation
- Pre-Launch check
- Go Live

#### What to watch out for:

Talk to your consultant about any concerns you may have before going live and formulate a plan to mitigate any possible downtime after go live. Also, be sure that you are comfortable that you have received enough training prior to going live.

#### WARNING SIGNS:

Make sure your consultant has an adequate go live plan in place that mitigates any downtime risks.

### Post implementation

#### Plan for ongoing review and evaluation

Plan to frequently review and evaluate the system based on desired criteria, such as one month following implementation, three months, six months, etc. Immediately inform your consultant and vendor of any challenges or questions. Document all changes and customisations made.

## Conclusion

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It is important to understand that changing your business management software system is a key step in your organisation's growth and should be carried out only after a thorough process of research and planning has taken place.

When choosing a new system, it is imperative to not only look at the core functional attributes of scalability, capacity or ease of use and functionality, but you must also look at the software to determine how suitable it is going to be for your business. The software should grow with your organisation, not hold it back.

This suitability also extends to the software vendor and any consultant that you may wish to use. Remember that changing your business management software should not be viewed

as a short-term cost. Instead it is a long-term investment that requires continual contact with the vendor and consultants. Your consultant needs to work with you to get the most out of your new business management software, ensuring that the transition is as smooth and pain-free as possible.

The pitfalls and hurdles along the road to a new business management software system can be numerous; however, working through this guide will ease the burden by helping you to identify the right software, vendor and consultant.

Remember that you must spend money to make money and staying comfortable with obsolete systems at the expense of your organisation's growth could prove to be a devastating mistake that your business need not endure.



**Changing your business  
management software  
is not a short-term cost.  
It needs to be viewed as  
a long-term investment.**

## **About Jiwa**

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Jiwa Financials is an Australian software developer of one of Australia's most respected business financial solutions, Jiwa Financials. Designed for the Australian environment, Jiwa Financials services a client base that ranges from single user sites up to global enterprises. With an emphasis on data integrity and software performance regardless

of transaction or user numbers, accurate stock costing and tracking, and provision of detailed information for management decision making.

Jiwa Financials has found a natural niche among importers, distributors, manufacturers and service repairers.



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