

Small Business to Digital Business

*Your Guide to moving from accounting software to ERP
to help your business grow.*



Like it or not, your business is part of the digital economy. Your competitors are upgrading from entry level accounting solutions to full ERP solutions to help their **businesses grow in the digital age**. Discover if you are on the cusp of outgrowing accounting software and how technological change can help you streamline, automate and position your enterprise to grow effectively.

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“ Nextt Group reduced the level of paperwork by 60% and streamlines the invoicing process with MYOB Advanced. ”

Change is The New Normal

This white paper explores the consequences and possibilities for businesses affected by the fact that their businesses has outgrown entry level accounting software. Nobody likes change, but sometimes change can provide the push you need to embrace a better opportunity.

To have access to modern and supported cloud ERP software, small to medium businesses that currently use entry level accounting software **will need to:**

- Identify the need for change
- Analyse the cost / benefits of change
- Understand their business requirements
- Define a methodology for change management
- Create a process to select, implement and support a new ERP solution
- Have a structure that measures the ROI when implementing an ERP solution

The technology needed to effectively run a business is increasingly online, mobile and cloud-based, to enable the accessibility and agility that the digital economy demands. Day-to-day workflows are improved by real-time, mobile access to information about your finances, customers, sales, inventory, manufacturing, services and cash flow - regardless of your size or industry.

Services your business relies on, and compliance obligations, are also becoming dependent on being able to instantly share data online. For instance, the Australian Government has moved to enforcing **Single Touch Payroll (STP)** for businesses of all sizes that need to report salaries and wages to the Australian Tax Office - this requires an online software solution.

So although basic accounting software might appear to be doing the job for your business right now, you should reflect carefully on your current and future business management technology needs, and select a solution that will future-proof your business.



Why 'Do Nothing' is a Flawed Approach

Your installation of basic accounting software may have worked well for your start up or small business but won't magically grow with your business as your requirements become increasingly complex. So, you might be tempted to simply 'wait and see' what the future holds but every day that you remain on entry level accounting software is a day that you have not made progress towards digital transformation, cloud, mobility, AI and IOT to help your business grow and to protect your investment into the future.

Don't forget that implementing ERP solutions is not about technology – it's about business benefits:

- Improved cash flow
- Better customer service
- Access to timely data for improved decision making

The risks of outgrowing your accounting software are significant, and depending on your growth plans, could be imminent.

What do you risk when you Outgrow Your Current Systems?

Growing small to medium enterprises face a more complex, rapidly changing business environment and keeping abreast of technology is no longer a luxury - it's essential for business survival and growth.



Islands of Information

Very often an early warning signal that your business has outgrown entry level accounting solutions is when departments and teams work in isolation across "islands of information". If finance information does not flow to/from inventory and manufacturing or services, there is double or triple capturing of information. Business units operate without accurate, timely information and the business runs the risk of making poor decisions.



Too Many Manual Work Arounds

Your team will fall behind standards for financial management and operational control if you don't have the tools, skills and functionality required to work smarter. You will lose productivity as employees struggle to complete work using software that is no longer fit for purpose.



Unhappy Team Members

Outdated software makes you a less attractive option for potential employees that expect powerful tools and systems that enable flexible working. Automate manual tasks using modern ERP software so that employees can focus on high value tasks that add value to the business.



Limited Access to Information for Decision Making

Outdated software and limited access to business intelligence and analytical software leads to poor decision making as team members struggle to get access to timely, accurate information.



Growth is Inhibited

Businesses want to grow. Growing a business without the growing pains requires systems and processes that can scale. ERP solutions help streamline automation and are an enabler to growth by helping automate processes. Outdated software will hold your business back.



Your Competition has a Competitive Advantage

If your competition keeps ahead of the investment and technology curve by investing in up to date systems, you risk the competition gaining a competitive advantage.



Cash Flow Issues

Outdated systems lead to issues with on time, in full delivery, supplier engagement, inventory levels and ultimately the lifeblood of any business – cash flow.



Customer Satisfaction

On time, in full delivery and providing up to date information for decision making are critical to ensure a seamless experience for your customers. Outdated systems that are not "up to the task" will have a negative impact on customer satisfaction.

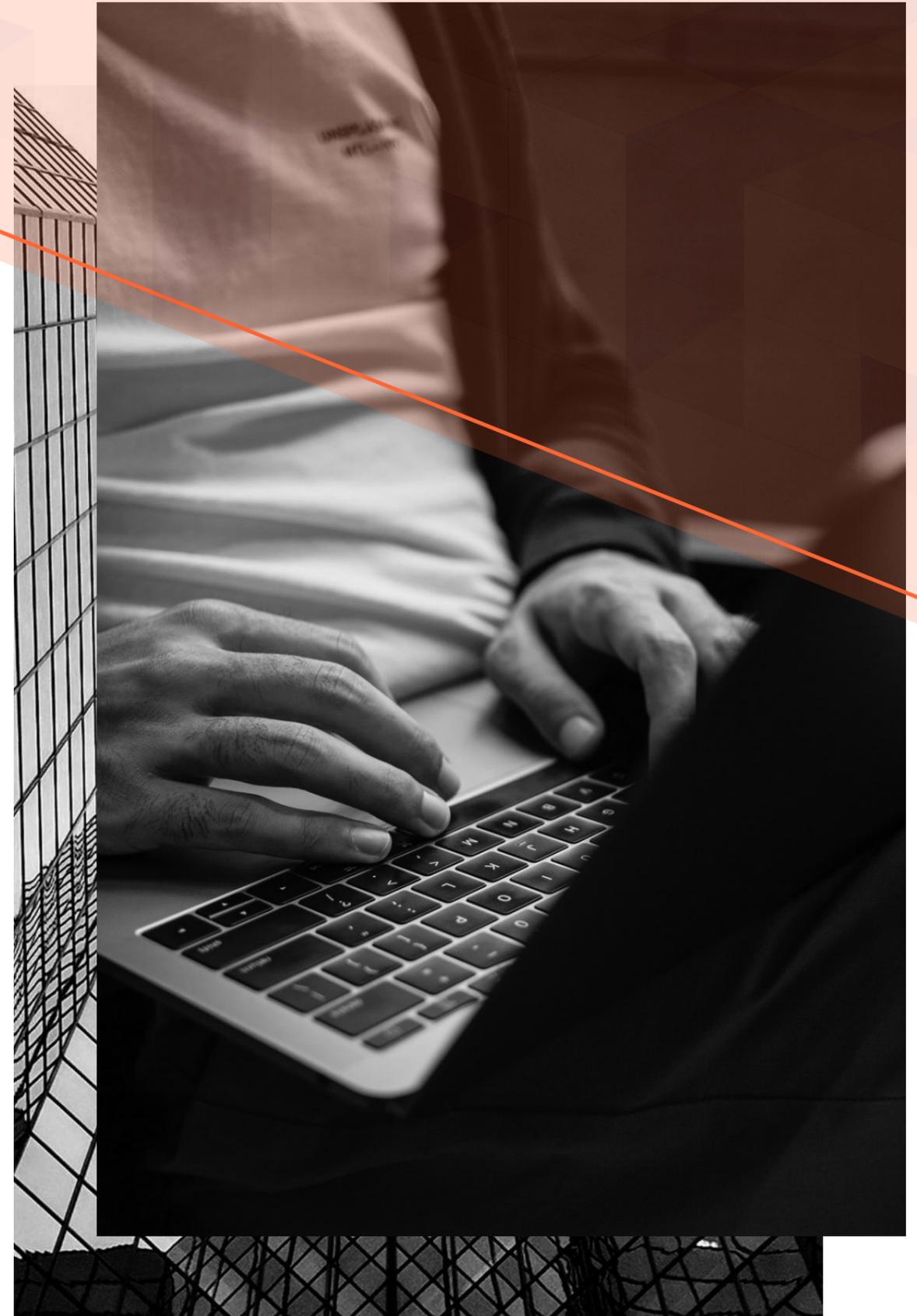
The Cloud = SMEs' Strategic Advantage

Many businesses that rely on entry level accounting solutions purchased the software five to ten years ago when it made sense to have a desktop product, perhaps located on an office-based server. Technology has changed dramatically since then and will continue to evolve rapidly.

If you don't have a well-managed server protected by an effective firewall, your system is still connected to the internet and can actually be more vulnerable to being hacked.

Conversely, the cloud is an incredibly safe option. Especially when you choose a reliable vendor with locally-based servers that are both highly secure, constantly monitored, and meet Australian standards for the privacy and management of data.

Global marketing research firm IDG released a study of cloud computing in 2018 that showed **more than 70 percent of organisations have an application or some of their infrastructure in the cloud** - and plan to increase their investment in the technology. The biggest drivers named by business leaders surveyed included improving the speed of IT service delivery (71%) and greater flexibility to react to changing market conditions (63%).



01 Better Functionality

Cloud-based systems streamline work and support faster and more effective decisions and outputs. Research shows SMEs in Australia that are using a cloud product respond better in the digital economy we now exist in. Less manual work arounds, automated processes, access to more technology; improved productivity and remote working; improved ability to keep tech up-to-date; and better collaboration with clients and suppliers.

02 Security & Cost

When you're in the cloud, regular updates and support are part of your subscription, so you're always working with the latest version of software. It also means technical support is always available and compliance is up-to-date. This eliminates the hassle and cost of maintaining your own on-site server, reducing your IT costs, complexity and associated risk.

03 Growth & Future

As you acquire more customers or expand your branches or warehouses, systems that don't harness the cloud, leverage real-time data and offer analytics, will hold you back. Features you might not care about now may become business-critical - especially if you have ambitious growth plans. The best and brightest talent can choose where they work, and are more likely to pick employers with advanced technology who support them to achieve greater flexibility and job satisfaction by being able to work from any device, anywhere. Never before has this been more relevant than during the COVID pandemic of 2020 / 2021.

It's natural that we become comfortable with the tools at our disposal. But it can also mean that complicated workarounds and manual tasks become habits - despite better methods and solutions being available. We waste time and money doing things the old way? Is it because change feels too hard to embrace?

The Australian Centre for Business Growth undertook research into the reasons that Australian SMEs fail. What they found is that when business leaders fail to understand and fulfill their responsibility to set and implement a company's direction, they falter. In particular, those surveyed said the reasons for failure came down to: lack of leadership, poor management and/or no planning; inadequate market research, marketing or sales; and lack of understanding of financial health.

ERP software solutions hosted in the cloud provide real-time insights, automation and a more comprehensive suite of features to help you remain competitive in your market. That frees you and your management team up to focus on high-level strategic decisions for business success.

*What it really comes down to is this:
Do you want to spend more time on strategic business management and achieve sustainable business growth?*

How to Determine The Best Way Forward

We've established that acting quickly and embracing the cloud will deliver clear benefits, but how do you determine what your next step should be? There are multiple options to weigh up when it comes to picking the right cloud-based solution for your business.

It's wise to examine your business management software needs and factor in future plans, so that the changes you implement will provide lasting benefits.

Five questions to ask to determine your business needs.

1. Is your business increasing in size & complexity?

Maybe you've acquired additional businesses, expanded to new cities or countries, or increased your product range or number of customers you service?

You'll need software that helps you manage:

Multiple companies, ABNs, branches, countries, and currencies. For instance, simplified inter-company accounting, consolidated reporting and sub-consolidation by region or team.

Multiple warehouses with bin management, so that you can quickly sort, identify and manage inventory across different sections of your warehouse or across different sites.

Purchase planning - so you can easily see and manage Inventory levels and cash commitments.

2. Do your operational & sales processes need to be streamlined?

Often SMEs experience a disconnect between the parts of their business that manage frontline operations, and their finance and sales teams. Being able to keep customers happy requires a responsive business where everyone is on the same page.

Your software should:

Align crucial information related to manufacturing, inventory, sales processes, and financial management. For instance, a system that analyses orders, costs and demand to provide replenishment recommendations and manages delivery schedules from suppliers and to your customers.

Include customer relationship management (CRM) functionality, sales opportunity management, and email and marketing campaigns. Use e-commerce to empower key B2B customers to self-serve, such as placing their own orders within your system.

Allow greater control of the production and manufacturing aspects of your business - works orders, production planning and scheduling, gaining a clear picture of work in progress, bottlenecks and production capacity at any point in time.

Ensure that the software you implement provides *lasting benefits.*

3. Are you looking to improve efficiency & manage costs?

Would you like to be able cut the time it takes to manage financial information, understand and allocate costs more easily and more accurately price goods?

It pays to secure a solution that:

Automates and simplifies manual financial management tasks such as cost allocation (enabling you to split bills and assign to cost centres), deferred income, branch billing, and electronic approvals so purchase orders can be approved faster.

Offers advanced cash flow forecasting, and tracks all inputs for project accounting so that you can monitor actuals vs budget at a glance.

Enables you to gain visibility on your landed costs so you can recover the complete cost of products in direct sales and improve your margins.

4. Are you looking to improve efficiency & manage costs?

Do your business systems feel scattered or siloed? Have trouble gaining a big picture view of how your business is performing? **Put your emphasis on a solution that:**

Brings together functionality within one system or ecosystem of compatible software solutions, rather than using 5-6 different tools that don't share data. You'll save on subscription costs, and simplify log-ins, permissions, and IT management.

Enables consolidated financial and operational analytics with the ability to combine data from multiple business units to achieve complete oversight of all operations.

Reduces the amount of repetition, manual tasks, re-capture or re-checking of information: to improve productivity and minimise mistakes.

5. Are you anticipating or planning for future growth?

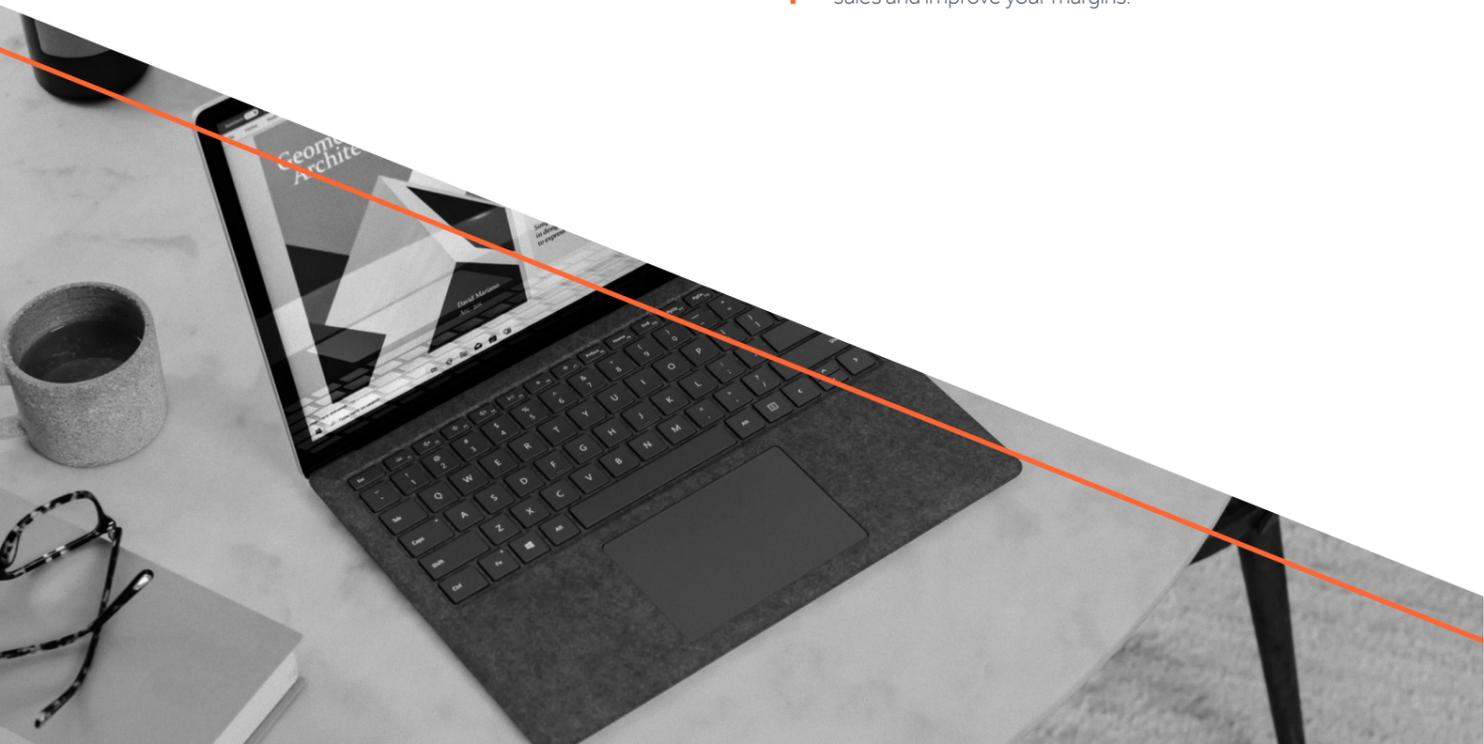
Perhaps you're thinking about employing more people, expanding vertically or horizontally, or your business is growing rapidly due to built up demand within your industry. **You'll need software that can scale with you, so prioritise:**

Mobile functionality that supports a modern, flexible workforce.

Advanced features that can handle multiple levels of complexity in your business structure, finances and operations.

A world-class vendor that invests in R&D and has the scope to manage emerging compliance issues and provide quality support.

If you answered yes to several, or all, of these questions, it's likely that you've already outgrown your existing accounting solutions - it is time to move your business to a cloud ERP solution.





Tips & Tricks

Moving from accounting software to ERP solutions.

1 | Consider a phased approach

The jump from entry level accounting solutions to ERP requires resource allocation (people, time, budget) and needs change management. When implementing new ERP systems consider a phased approach to limit the amount of change that your organisation is managing at any point in time. With an end goal in mind, a phased approach allows your business to build a solid platform for further growth whilst ensuring that budget and people resources are not under constant pressure.

2 | Make sure your business has the "internal muscle" to implement ERP

Resource allocation when implementing ERP goes beyond allocating a budget. Internal team members will need to allocate time, resources and skill set to assist with the ERP implementation. Before finalizing your decision to move from accounting software to ERP make sure that you have sufficient internal resources to make the implementation a success.

3 | Appoint a software selection team

A successful implementation of ERP starts with careful and well planned selection of the right ERP solution. Appoint a software selection team that follows a structured selection process to make sure your ERP project is well managed.

4 | Appoint an internal project manager

An internal project manager will help manage your ERP implementation and will co-ordinate resources, manage budget, co-ordinate scope change and take responsibility for the project's on time, in full delivery.

5 | Be careful of scope, budget and timeline "creep"

The move from entry level accounting software to an ERP solution is a big step that involves resource allocation and change management. Don't further complicate the process by allowing excessive scope creep.

6 | Choose your ERP solution and implementation partner carefully

Choosing the right ERP implementation partners is one of the most important decisions you will make. ERP solutions impact almost every aspect of your business – finance, sales, purchasing, inventory, manufacturing putting the right amount of focus into carefully selecting the right ERP implementation partner is one of the most important decisions your business will make. A good ERP partner will streamline your implementation, system configuration and on-going support delivering an outstanding ROI.

7 | Compare ERP Implementation proposals carefully

Not all ERP implementation proposals are created equal. When comparing different ERP proposals from multiple vendors or implementation partners, make sure that you are comparing "apples with apples". Pay careful attention to what is included and not included in your ERP implementation proposal:

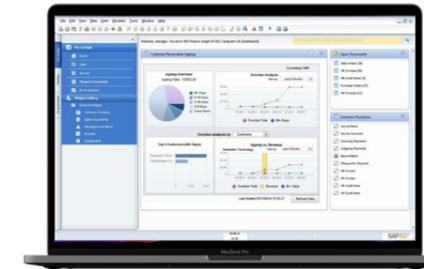
- Data conversation expectations
- User acceptance testing requirements
- Development or integration specification (manual vs automated integration)
- Fixed price vs do and charge implementation methodologies
- Training expectations and deliverables
- Post go live support plans
- Support inclusions / exclusions

8 | Make sure your ERP implementation partner has the right resources for your project

Get CVs of the implementation team that will work on your project, interview the team so that you can establish "fit" within your organisation and culture.

What Option Should You Choose?

Given that now is the ideal time to decide on your best option and begin the transition process, let's examine five options for companies that have outgrown their accounting software solutions and are looking to get all of the advantages of ERP solutions.



TRANSFORM TO SAP Business One

Best Option for:

Wholesale/distribution, basic manufacturing requirements.

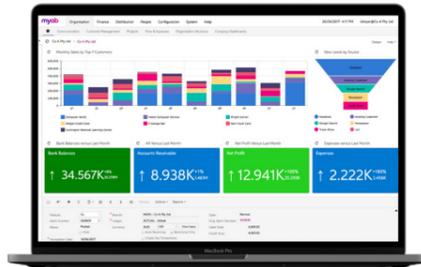
If you move to SAP Business One:

- Available in a private or multi-tenant cloud - monthly SaaS subscription.
- Excellent inventory control, purchasing, purchase planning, EDI, e-commerce integration.
- Great for subsidiaries of multi-nationals or companies that want to expand globally (available in multiple countries and multiple languages).
- Vertical market focus across food and beverage, medical and most wholesale / distribution environments.

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if ($query) {
    $query = array_replace($qs, $query);
    $queryString = http_build_query($query, '', '&');
} else {
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    $queryString = http_build_query($query);
}

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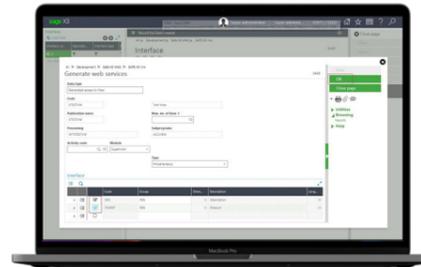
TRANSFORM TO
MYOB Advanced

Best Option for:

Businesses that have, or will, outgrow the functionality of basic accounting software.

If you move to MYOB Advanced:

- Strong financial management (including multi-company), consolidations, cost center analysis, excellent financial reporting.
- An excellent fit for wholesale / distribution (inventory control, EDI, e-commerce integration)
- Comprehensive discrete manufacturing, job shop and CTO manufacturing.
- Strong field services module.
- Construction solution.
- Brilliant project accounting & services.
- All of the benefits of monthly SaaS / cloud.
- Well suited to Australian and NZ businesses.
- You'll gain access to a more comprehensive and scalable system to future-proof your business
- You will also benefit from MYOB's technical support, regular software updates and compliance fixes.



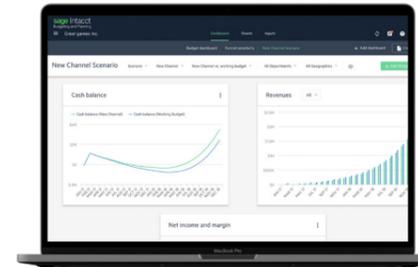
TRANSFORM TO
Sage X3

Best Option for:

Larger businesses (\$30 million + turnover), multi-nationals with complex business requirements.

If you move to Sage X3:

- Strong financial management including multi-country financials with consolidation and strong multi-national reporting.
- Excellent inventory control and purchase planning.
- End to end manufacturing – CTO, discrete and process including production planning / scheduling.
- Available in the cloud / SaaS.
- Integration to strong inventory planning and analytics, EDI and more.
- Available in multiple countries and languages.



TRANSFORM TO
Sage Intacct

Best Option for:

Growing businesses with complex financial management requirements across multiple industry verticals: Non-profit, financial services, professional services, SaaS software companies, hospitality groups and healthcare.

If you move to Sage Intacct:

- Strong financial management, inter-company, consolidations across multi-country implementations.
- Excellent financial reporting, BI and analytics.
- Strong vertical market focus – for example grant management for non-profits, contract billing for software (SaaS) companies and project accounting.
- Dimensional analysis in the general ledger.
- Excellent cost centre accounting with allocations.
- Cloud first.



TRANSFORM TO
SAP Business by Design

Best Option for:

Medium sized, high growth companies looking for a cloud first solution. Strong financial management, discrete manufacturing. A global solution - best suited to industry sectors - financial services, professional services and project based businesses with global plans.

If you move to SAP BYD:

- Strong financial management, inter-company, multi-company and consolidations.
- A global solution - available in multiple countries and language sets.
- A solution backed by SAP – the largest ERP provider in the world.
- Excellent project based functionality.
- Part of the SAP ecosystem.

Stepping up to an ERP solution: Why Leverage Technologies is the perfect partner.

Since 2005 Leverage Technologies has been helping companies across Australia choose and successfully implement ERP solutions.

A culture of innovation, strong investment in people, and a commitment to helping businesses succeed, puts Leverage Technologies ahead of the pack when it comes to creating a reliable technology stack for your business.

The team at Leverage Technologies:

- Have knowledge and experience across multiple industry sectors
- Provide advice and consultancy on different ERP solutions (suited to different industry sectors, budgets and business complexity)

- Take a consultative approach to software selection, implementation and support
- Are backed by some of the world's best ERP providers
 - SAP, Sage and MYOB
- Use proven methodologies to implement ERP solutions on time and on budget
- Help our customers grow their businesses



Ready to Transform?

As you prepare for the future, use the opportunity to make a more substantial investment in your capacity to run an integrated, digital business. Bring to an end the era of using basic accounting software and become a more empowered business, when you choose a fully-featured software solution from Leverage Technologies.

Take advantage of Leverage Technologies' migration framework to guide your transition. We start by talking with you about your needs and what's required to configure the system to make your business function better.

Our consultative approach is built on years of experience working with small to medium businesses across all industries, and an in-depth knowledge of ERP solutions for businesses like yours.

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Focused on your success.
Backed by world-class software.



SAP[®] Business
One

sage

myob

