

Sage MAS ERP

Making The Move

What To Do When You've Outgrown QuickBooks



Straight Talk About Selecting the Right Solution to Support Your Company's Growth Requirements

QuickBooks provided the basic bookkeeping capabilities you needed to start your company. But things have changed. You have more customers. More employees. More complexity. In short, your small business isn't so small anymore.

So how do you make the move to a more powerful accounting solution? First things first: It's critical to gather all the facts before you make a decision. The new system can impact nearly everyone in your company, so each decision is critical. It pays to be meticulous.

At Sage, we've been responding to the needs, challenges, and dreams of small and mid-sized businesses for more than 25 years. Our experience gives us firsthand knowledge of the issues and pressure you face every day. This insight, along with the conversations we've had with many of our 2.9 million customers, has helped us assemble this guide. **Making The Move: What To Do When You've Outgrown QuickBooks** is designed to give you smart, unbiased tips as you prepare to make the move to a more powerful accounting solution.

Please note that the 37 ideas we highlight in this guide make no mention of our software. We believe that after performing all the due diligence suggested in this booklet, you'll agree that Sage provides an ideal, cost-effective next step for your company. To illustrate that point, we've also enclosed a helpful reference chart that points out the differences between Sage MAS 90 ERP, Sage BusinessWorks Accounting, and QuickBooks. Plus, we've included two case studies that show how our customers have successfully moved from QuickBooks.

We hope this material helps you continue on your path to success, and we look forward to helping you grow your business.

37 Essential Tips for Evaluating and Purchasing New Accounting Software

Getting Started

The first step to implementing a new accounting system is evaluating your company's readiness for change. Before you begin looking at new features and setting fast-track time lines, take time to set realistic goals and build momentum. Preproduction planning is the key to success.

1. **Change before you have to.**

By the time you are certain that your current systems are inadequate, you're probably already losing money to reduced productivity, lost opportunities, and inferior data. Don't wait until that happens. If you're receiving warning signs that your system can't keep up (data frustration, slow turn-around, time-consuming or manual processes), begin your needs analysis now. Many professional systems analysts use the steps below. Keep them in mind as you evaluate your system needs.

2. **Accept the fact that improvements cost money.**

Implementing new accounting software will require an investment of time and money. But the hidden costs of antiquated systems are sapping your productivity and softening your competitive edge. Remember that the right system will pay for itself with process improvements and better data for decision-making. Many businesses are choosing more modern, automated systems for faster processing of accounting transactions, easier retrieval of accounting information, and better formatting of accounting reports. Keep these benefits in mind when considering return on your investment.

3. **Don't ignore hard-to-quantify benefits.**

A new system will deliver broad improvements whose overall impact may be difficult to calculate with precision. Consider all the benefits of more reliable and faster access to data. Think about how much it is worth to your company to improve strategic planning. How much will it cost you if your next audit doesn't stand up to scrutiny? How will your company's reputation improve if your new system gives your customers better, faster, and more professional service?

4. **Compromise is a good thing.**

Your final choice of software probably won't satisfy everyone, but through clear communication and patient education, most people will recognize that the decisions being made are fair and reasonable. Plan to spend more time than you'd like handling objections, especially in the early phases of the project. Plus, have a strategy for fine-tuning the system once it's installed. Count on a new system to satisfy about 90 percent of your needs and wants, and figure out how you are going to deal with the remaining 10 percent. You may need to consider some staffing changes or revising your policies and procedures.

How to Create an Accounting System Needs Analysis

- *Clarify all the accounting modules your department currently uses and requires.*
- *Identify all the information that flows through the accounting system.*
- *Determine the information-sharing requirements between the accounting system and other departments.*
- *Define all categories of accounting transactions.*
- *Calculate the total number of transactions of each type for a typical accounting period.*
- *Distinguish all the different types of accounting reports used by your department.*
- *Define your specific data retrieval and reporting requirements.*
- *Specify your custom reporting requirements.*
- *Determine how many users will have administrative access to the system.*
- *Ascertain the level of accounting and computer experience of potential system users.*

Setting Objectives

People who buy accounting software usually spend most of their time evaluating features. The fact is, however, you should spend most of your time evaluating your own business. The more you know about the problems you expect the new system to solve, the better informed your final choice will be. Know where in your accounting cycle you experience the biggest productivity losses and highest error rates. Determine how inaccuracies are affecting your business. Understand which tasks require automation. Begin by identifying the problems you experienced this year because your existing system wasn't adequate.

5. Create a task force.

Financial software affects many departments within your organization. One of the easiest ways to ensure cooperation is to involve representatives from other departments right from the beginning— including not-so-obvious groups like sales and human resources. It may slow down your process and frustrate you, especially if your old system is failing and you need to hurry the new project along. But in the long run, a task force saves time and hassles and guarantees that other departments will cooperate during the implementation phase.

6. Aim high.

Many people don't aim high enough when they implement a new system. Just about any product can deliver financial statements. You should be looking for much more. Think back to last year's planning sessions with your peers. What information could have boosted productivity and profitability? This might include current gross profit by product, customer, or salesperson, or trends on how customers and products are growing or declining. You may want to use financial ratios to measure your company's performance against your competitors.

7. Know what's special or unusual about your company.

Your company probably has some unique requirements that can't be changed. Perhaps you need to track products by lot or serial number. Do you need to price product by warehouse location? Does your industry have special reporting techniques? Make a list of requirements unique to your industry and organization.

8. Know which features you can't live without.

When you survey your task force, you'll uncover a few system capabilities that are critical to your company, such as particular reports or tracking methodologies. Once you discover that they are absolutes, put them on your must-have feature list.

What Modules Will Help You Meet Your Goals?

| | Plan and Control Growth | Reduce Labor Costs | Shorten Billing Cycle | Reduce Inventory | Increase Sales | Control Costs | Manage Cash |
|--------------------------|-------------------------|--------------------|-----------------------|------------------|----------------|---------------|-------------|
| General Ledger | X | X | | | | X | |
| Accounts Receivable | X | X | X | X | X | | X |
| Accounts Payable | X | X | | | | X | X |
| Purchase Orders | X | X | X | X | X | | X |
| Sales Orders | X | X | X | X | X | | X |
| Inventory | X | X | X | X | X | X | X |
| Job Cost | X | X | X | X | | X | |
| Payroll | | X | | | | X | |
| Contact Management / CRM | X | X | X | X | X | X | X |
| Business Intelligence | X | X | X | X | X | X | X |

9. Look for systems that can easily adapt to your business needs.

In order for a system to meet your business needs, it should mesh with your existing business practices and adapt to technological innovations. Again, ideally you want software that's simple, intuitive, and closely matched to how you already do business. Be sure the system can:

- Embrace industry-standard technology quickly and easily.
- Customize easily to fit the special needs of your business.
- Scale to the changing size of your business.

10. Make integration a high priority.

Tightly integrating your financial accounting software with your other business management applications can significantly improve your bottom line. Linking all functions internally and linking to customers, suppliers, and other business partners externally can dramatically reduce lead times and waste throughout the supply chain. You'll streamline operations and gain a competitive edge by integrating your Web store, retail management, business intelligence, customer relationship management, supply chain, and human resource management applications. When evaluating accounting systems, check to see how seamlessly they integrate with other systems. Tight integration will save you time, promote greater efficiencies, and add value to your business.

11. Manufacturers/Distributors:

Evaluate automated shipping and distribution systems. Inventory that sits in your warehouse is cash your business could otherwise be using. When considering accounting software, study what options are available to link the system with your warehouse management system. The proper use of integration will pay your organization huge dividends in the form of reduced inventory cycles, more efficient warehouse operations, less paperwork (including the corresponding reduction in input and other errors), and better order accuracy.

12. Don't forget about your sales team.

Study after study indicates that customer satisfaction and loyalty are crucial success factors. Customers are the life-blood of any organization. The better you are able to understand and satisfy customers, the more your business will prosper. Closely linked Customer Relationship Management (CRM) software will allow your organization to increase customer satisfaction. Your sales team will have a much better understanding of customer purchasing habits, both in aggregate and individually. Research which customer management options are available with the accounting software you are considering, and how closely linked they are.

13. Take time to research human resource management systems.

As with any integrated system, take time to research HR management systems. Evaluate it like you would accounting software; don't just assume it will meet your needs. Look past compensation and benefits to be sure that it meets your company's specific requirements in other areas, such as integration with federal and state agencies and online filing of reports and documents. Be sure that it really does integrate and synchronize with payroll, eliminating the need for redundant data entry.

14. Be prepared to extend your business to the Web.

Software optimized to leverage future e-business opportunities will deliver a significant strategic advantage. Look for accounting software with strong e-business capabilities, even if e-business functionality is not one of your current requirements. Areas to consider include support for business-to-consumer and business-to-business buying and selling, the ability to empower employees through the intranet and browser-based applications, and the capability to extend systems through mobile, wireless applications. Choosing a software manufacturer dedicated to e-business tools will ensure that your system can grow to match your organization's evolving strategic goals.

15. Look for integrated Web store systems.

A Web store isn't really efficient if it doesn't integrate with your back office. When shopping for Web store creation and management software, look for one that will eliminate time-consuming manual reentry of orders received over the Web. It should seamlessly integrate with your accounting system without costly customization. Web orders and payments must automatically flow through to your accounting system. Changes to customer and inventory information in your accounting system should automatically flow through to the Web store. Furthermore, you should be able to process orders in either real time or batch mode.

Selecting the Right System

Understanding your business's financial information needs is the first step in selecting the appropriate accounting software. However, there is typically no obvious choice because so many competing products promise similar results. You can end up mired in the feature lists and still be uncertain of your final selection. Here are some tips for choosing wisely.

16. Choose your software before your hardware.

You're probably going to need some additional hardware to implement the new system. But since system requirements are generally determined by software and not hardware, you should choose your software first, and then buy the hardware recommended by the software manufacturer or your consultant.

17. Start with the big picture.

Don't dive into details at the beginning of your selection process. First decide on what key characteristics the system must have. Eliminate any packages that don't comply with your fundamental requirements and you'll narrow the field significantly. There is no point in having a 200-page Request for Proposal (RFP) if ten questions will shrink the field from 50 possible vendors to five.

18. Don't underestimate the importance of system architecture.

You'll want your software to have the capability to grow and change as your organization changes. Most accounting software companies have various families of products geared toward specific business sizes of customers. A key question to ask is whether or not the products are built on unified system architecture and if they have a built-in upgrade path from one product to the next. If the family of products has been developed on the same architecture, future upgrades from product to product and the subsequent data exchange can be managed much more smoothly.

19. Make sure your software can be customized.

No one software package is right for everyone. And no accounting system on the market will have every single feature you'd like. Many packages give you useful modification features that let you change reports or screen formats. For even more control over your system, look for software that enables you to make more specific customization. This will ensure that your software will meet your needs no matter how your business changes.

20. Make sure the software can adapt to your needs.

Finding a system that can adapt to the specific needs of your company is essential. Some packages offer open architecture, which allow you to easily add on additional features and adapt to new IT paradigms. Open architecture is especially important if you expect your company to experience growth or change in the future. If you have a growing business, one of the most important characteristics of your system is its scalability. Open architecture scalability ensures your system can grow along with your company.

21. Look for software vendors that invest in research and development.

A good company invests heavily in engineering and develops new product features and enhancements regularly. These companies stay abreast of new technologies and make sure their customers do, too. A good software manufacturer will provide frequent upgrades at reasonable prices.

22. Explore what support will be available to you.

Find out what technical support each software manufacturer makes available to its customers. What days of the week and times during the day are telephone technical support specialists available? What costs, if any, are associated with various levels of support? Does the manufacturer provide classroom, self-study, or Web-based training programs? How frequently does the manufacturer keep in contact with customers regarding product announcements, upgrades, and more? You will need assistance getting the most out of your software—the best manufacturers provide this assistance.

23. Documentation reflects software quality.

You rarely find excellent documentation with poor software. Clear, accurate, and useful documentation takes time to produce and indicates a long-term commitment to users. You'll save time hunting through manuals if the documentation is included electronically as help files within the application.

24. Check out the software publisher.

Study the makers of the software. Find out how long the company has been in business, what their long-term prospects are, and what kind of customer support, upgrade protection, and technical support they provide.

25. Popular products are popular for a reason.

Just because a software product is popular doesn't mean it's right for you. But if a company has lots of users, it's probably doing something right. A large installed base is like an insurance policy for users. Choose a product that has stood the test of time, satisfied companies similar to yours, and delivered good value.

26. Evaluate the software by what it can't do.

Software product limitations are often much more revealing than feature list comparisons. Find out the maximum number of customers, vendors, and inventory items allowed. Ask how many line items a single invoice or sales order can handle, and find out the maximum number of users that can work with a particular application at the same time.

27. Use mistakes as your acid test.

People make mistakes. If the software handles errors intelligently, that's a sign of good design. Some of the most widely promoted accounting systems do not allow you to correct an error in a purchase order without canceling the entire P.O. and reentering it from scratch. Look for software that tests for errors, such as duplicate customers and vendors, incorrect item numbers, and unreasonable amounts and dates. The system should also flag unusually high quantities or unit prices and offer valid alternatives.

28. Evaluate the learning curve.

Intelligently designed software is easy to learn. An intuitive interface will shorten training times and facilitate the conversion. Look for input fields in consistent and expected locations and screen design similarities among all modules. Be sure that the software comes with effective learning tools, classes, and demonstrations to speed the learning process. Don't compromise when it comes to end-user support.

29. Understand the difference between standard functions and extras.

Some software organizations provide basic functions but then make you purchase the various extra that come standard in other organizations' software. An extreme example would be to buy a car, and then discover that you must pay additional for the engine, steering wheel, and tires. Confirm what is included in the core pricing and what must be purchased separately.

30. Go paperless.

Today's most effective software applications utilize less printed paper. As you explore accounting and other software systems, focus on how much paper you can eliminate and time you can save during order entry, basic accounting input, shipping and handling efforts, billing, and communications with vendors, customers, and among other areas within your organization. The less printed paper you use, the more time and money you'll save. Efficient and timely document access and distribution can enable you to provide better customer service, too. Consider systems that support document attachments and have built-in data backup and storage.

Working with a Consultant

It's possible that your organization has the internal staff to implement your new accounting system successfully. It's more likely, however, that you don't have the resources or expertise to devote to analyzing, purchasing, installing, and maintaining a system. A software consultant can help considerably. Consultants have been through the purchasing and implementation process many times. For a reasonable fee, they can save you significant time and money by helping you evaluate, select, and get the most out of your new system.

31. Conduct an interview.

Arrange a meeting with the consultant and your task force. The focus of the interview should be how long the process will take, what applications the vendor can provide, and how he or she can help you benefit from them—not on details of specific software or systems.

32. Ask for references.

Has the consultant installed accounting software at companies similar to yours? Ask about company size, number of employees, and nature of the business. Ask for contact names and phone numbers, then call to learn as much as possible about the customers' working relationship with the reseller.

33. Listening skills are as important as product skills.

If the consultant doesn't listen effectively, chances are you won't be satisfied with the final outcome. During your first interaction, notice if the consultant seems more interested in "pushing" a particular product instead of analyzing your needs. Avoid people who try to impress you with jargon and who immediately start talking about features of equipment and programs.

34. Find a reseller with whom you can work.

The consultant will be a virtual member of your company for weeks. You may even end up with a long-term relationship as your company grows if the consultant helps change and extend your system. Choose a consultant who comfortably fits your company's philosophy and culture.

35. Avoid RFPs.

Contrary to what your colleagues may tell you, creating and sending out an RFP is not the most effective or efficient way to find the best software system. The process of creating an RFP, sending it out, waiting for proposals, and reviewing them requires substantial internal time and, therefore, expense. You can achieve the same results in days by simply making a list of the ten to 15 features you must have, calling potential vendors on the phone, and asking if their system can provide them. You can narrow your list down to the three finalists you plan to interview just by spending a few hours on the phone.

36. Don't sit for product demos too early.

Salespeople sometimes urge you to sit through a product demonstration before you're ready; it's easy to get caught up in bells and whistles and forget about your objectives and the must-have list. Don't watch a demo unless you're armed with your list of requirements and can control the process. Help your team understand the need for clear objectives and priorities before they spend their time looking at demos. Also, it's your demo—have the consultant present their features in the order of your choosing, not theirs. This gives you the ability to ensure that the features you need are consistently presented by each vendor you review.

37. Require cost forecast revisions.

Obviously, you'll need to forecast the cost of implementation as accurately as possible. Avoid surprises—get a detailed breakdown of costs and fees before and during the requirements phase. As objectives change, make sure you request revised cost estimates.

See for yourself. Sage offers a logical progression from QuickBooks.

| Features and Capabilities | Definition | PRODUCTS | | |
|--|---|--------------------------------|---------------------|-----------------------------|
| | | Quick Books Enterprise | Sage Business Works | Sage MAS 90 Sage MAS 200 |
| Full Traceability of Accounting Transactions | Provides a complete history of any given financial transaction. Critical accounting data, such as checks that have been written, cannot be altered once entered into the system. | | X | X |
| Task-Specific Security | Enables you to specify which users are authorized to view specific areas of the software. | X | X | X |
| Support for More Than 30 Concurrent Users | Provides the networking capabilities of 30 or more users to support those users you need, up to 30 or more concurrently, with little or no reduction in performance. | | X | X |
| Unlimited Number of Parts, Customers, and Vendors | Offers no limits on the volume of unique parts, customers, and vendors stored in the system. | | X | X |
| Document Management | Efficiently store, retrieve, and distribute electronic documents, improving communications with prospects, customers, coworkers, resellers, and vendors—saving storage space and postage cost. | | | X |
| Built-in User-Definable Charts | Use quick-click charts to select the data you want to see in chart form and to show trends. Create and save unlimited charts, with user-definable sorted, grouped, and filtered data. View, save and share your charts with coworkers and management, or send to your customers, suppliers, resellers, and vendors. | | | X |
| Unlimited User-Defined Fields and Tables | Enables you to add unlimited User-Defined Fields (UDFs) and User-Defined Tables (UDTs) that follow your workflow from entity maintenance and data entry through to history. | | | X |
| Alerts and Workflow | Stay on top of what's going on in your business, using personalized notifications for events such as new orders, overdue invoices, stock shortages, late deliveries, and even clients who change their buying habits. Your system can take intelligent actions and notify the appropriate party using e-mail, fax, phone, FTP, and Web browser. | | X | X |
| Automated off-line backup and off-site disaster recovery | You'll be able to reliably run the software that runs your business with Applanz, a powerful business management solution-in-a-box—with remote access, automated full system backup, and off-site disaster recovery services. | | X | X |
| Built-in Federal and State Tax Reporting with optional eFiling | Streamline your tax reporting process and increase productivity by autogenerating a completed form that's ready to print, sign, and send—or eFile to save paper, postage, and time. | | X | X |
| Intercompany Transactions | With multiple companies established within your system, efficiently transfer inventory between your companies, allocate expenses across multiple company codes, and do GL postings to subsidiary companies concurrently using your main company. | | X | X |
| Sales Order | Manages the activities involved in the order processing cycle. | X | | X |
| RMA Processing | Return Material Authorization—Allows accurate tracking of materials or merchandise being returned. | Only Certain Industry Editions | X | X |
| Inventory Forecasting and Planning | Calculates planned use of an item. | | | X |

| | | PRODUCTS | | |
|--|---|------------------------|---------------------|-----------------------------|
| Features and Capabilities | Definition | Quick Books Enterprise | Sage Business Works | Sage MAS 90 Sage MAS 200 |
| Control Inventory at Kit and Component Level | Tracks and manages items and where they are used, including kits that consist of multiple components either preassembled or built to order | | X | X |
| Lot Control | Allows inventory to be tracked by lot, not just by inventory item number. This is often required when traceability is important. Common in food, beverage, chemical, metals, and other industries. | X ¹ | | X |
| Serial Number Tracking | Items with the same inventory number are tracked with unique serial numbers to provide additional reporting and financial information. Common in machinery, equipment, electronics, electrical, automotive, and similar industries. | X ¹ | X | X |
| Bin Locations | Bin locations provide warehouse personnel with location details, facilitating more efficient warehouse operations. | X ¹ | X | X |
| Expiration Date Controls | Some kinds of inventory are not durable, and degrade with time. Expiration controls allow this kind of inventory to be handled more efficiently. | | | X |
| Multiple Warehouses | Allows inventory to be managed across more than one physical or virtual warehouse without the need to create multiple company files. | X ¹ | X | X |
| Shipping | Enables warehouse personnel to quickly and accurately enter items to be shipped. | X | X | X |
| Bar Coding | Enables warehouse staff to use a handheld computer to quickly perform inventory counts and verify quantities and items shipped or received. | X ¹ | X ² | X |
| Purchase Order Processing | Manages the process of purchasing goods from a supplier, including the authorization, approval, and tracking of purchased items. | X | X | X |
| Economic Order Quantity (EOQ) | Determines procurement amounts based on carrying and overhead costs | | X | X |
| Automated Procurement | Automatically triggers the creation of a purchase order for a specific item at a predetermined reorder point. | | X | X |
| Integrated E-Business Customer Web Site | Provides an integrated Internet store front with back-end processing capabilities that link to accounting modules. | X | X ² | X |
| Item Attribute Sets | Defines item attributes such as dimensions, weight, color, and more. Often used to calculate shipping information or for custom reports and inquiries | | X | X |
| Work Orders | A formalized system used to track material and labor quantity and cost transactions throughout the production process. | Industry-Specific | | X |
| Coproducts / Byproducts | Tracks and manages multiple, unique finished goods produced from a single manufacturing process. | | | X |
| Materials Requirements Planning (MRP) | Uses aggregated data to recommend purchase orders, transfers, and work orders to balance supply and demand. | | | X |
| Fixed Asset Management | Facilitates the tracking, management, and depreciation of fixed assets throughout their lifecycle. | X | X | X |
| Human Resources and Payroll | Automates processes related to the human resources function including benefits administration, training, certification, payroll, and more. | X | X | X |

¹ Inventory data is stored using a hosted solution and is unavailable to system unless connected.

² Functionality provided by Sage partners.

| | | PRODUCTS | | |
|-------------------------------------|--|------------------------|---------------------|-----------------------------|
| Features and Capabilities | Definition | Quick Books Enterprise | Sage Business Works | Sage MAS 90 Sage MAS 200 |
| Disassembly | Allows an item that is stocked as a finished assembly or received (perhaps as a return) to be broken into constituent parts for independent handling | | X | X |
| Multi-Company | Allows you to consolidate, report on, monitor, and analyze multiple companies or functional divisions within your organization. | X | X | X |
| Product Configurator | Simplifies order entry, routing, and bill of material design. Particularly useful when an item is available in different colors, sizes, or other variations. | | | X |
| Backflush | Automatically removes materials from inventory and increases Work In Process. Also used to automatically allocate overhead and labor costs based on the standard production quantities | | | X |
| Job Costing / Project Management | Manufacturing costing system that shows actual cost per job compared to the standard or estimated cost. | X | X | X ² |
| After-the-fact Production Reporting | A one-step method of reporting production of finished goods in which finished goods inventory is automatically updated while component and raw material inventories are reduced based on the finished goods quantities and requirements. | | X | X |
| Real-time Production Reporting | Allows for material issues and labor transactions during the production process, providing a real-time view of quantities and costs in WIP. | | | X |
| Finite Scheduling | A production scheduling system that schedules production based on work center or machine capacity without overloading. | | | X ² |
| Infinite Scheduling | A production scheduling system that schedules production to work centers or machines regardless of capacity (overloading). | | X | X |
| Quotations | A document describing an item, cost, and details delivered to a prospective buyer. Often converted directly to a sales order upon agreement from the prospective buyer. | X | X | X |
| Standard Costing | Standard costs are the target or ideal costs established for an item. This feature automatically identifies variances between the actual cost and the Standard Cost posted to the general ledger. This is one of the most common costing methods used by distributors and manufacturers—especially those who sell relatively standard products with low cost or price variability. | | X | X |
| Average Costing | Calculates the average cost of an item by averaging the actual costs each time the item is made. | X | X | X |
| Actual (Lot) Costing | Tracks the actual labor, material, and overhead costs associated with a production run. Very common in make-to-order manufacturing environments for actual product costing when a product is purchased directly for the job. | | | X |

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Success Story

Parmenter Studios

Ramon Parmenter's bronze sculptures and other works of art are prized collectibles of the rich and famous. Nike commissioned him to cast a sculpture of runner Steve Prefontaine for its corporate headquarters. The Seattle Seahawks commissioned a sculpture of Steve Largent. Wayne Newton collects Parmenter works, and so does Bo Jackson.

The Business of Art

Running the business end of Parmenter Studios is an art in itself. With sales to galleries across the country and a steady supply of special orders, Parmenter Studios needed a reliable way of recording the cost and profitability of each individual project. "We initially chose QuickBooks® because our accountant was familiar with it," explains Nancy Parmenter, business manager for Parmenter Studios. "After we implemented it, we discovered that QuickBooks was not capable of doing job costing or inventory control, both of which are crucial for us. It wouldn't even let us track customer deposits in a way that made sense.

"After eight months, I turned to him and said, 'I don't want to do this any more.' 'Neither do I,' he replied. We called a friend in a large CPA firm, who recommended Sage BusinessWorks as a superior product for a company like ours. Now, after adopting Sage BusinessWorks, we'll never switch."

Sage BusinessWorks for "Everything"

What does Parmenter use Sage BusinessWorks for? "Everything," she says. "That's why we like it so much." By everything, she means payroll, order entry, inventory control, accounts payable, accounts receivable, general ledger, and job costing. The software provides real-time inventory tracking for the bronze, carbides, cross pads, and other materials required for Parmenter's manufacturing processes. When the company is ready to set it up, the system will also send reordering alerts when stocks become low.

Better Profitability

"Sage BusinessWorks lets us track when a product is ordered, when it goes to the foundry, when it returns, what it weighs, when a customer makes a deposit, and when they pay off their account in full," says Parmenter. "The job costing feature allows us to monitor the exact cost of time and materials that go into each project. That way we can analyze how to improve profitability."

Parmenter Studios has experienced important bottom-line benefits by adopting the new software package. "Sage BusinessWorks has streamlined our order entry process by 20 percent,"

Parmenter notes. "Receivables and payables are being processed much faster. Having real-time inventory means that we no longer experience material shortages. Companywide, I'd say that Sage BusinessWorks has increased our productivity by at least 15 percent."

Focus in Figures, Not Numbers

Another unexpected benefit of Sage BusinessWorks has been its ease of use. “Once you become comfortable with the software, it’s very user friendly,” says Parmenter. “It’s extremely reliable, and never freezes up on us. We also like the fact that Sage BusinessWorks is so scalable. We’ll be able to use it for years to come, merely by adding on a module here and there. Already we’ve discovered that the software has allowed us to grow our business without having to hire additional administrative staff.”

Parmenter says she almost takes Sage BusinessWorks for granted now. “The software works so well that you forget how awful things were without it,” she says. “And you rely on it so much that you forget it’s running there in the background. That’s actually a very good thing, because it means we can concentrate more on the artistic side of the studio, and less on keeping track of numbers.”

| CHALLENGE | SOLUTION | RESULTS |
|--|--|--|
| Manufacturer of high-end sculptures was hobbled by the inability of QuickBooks to perform job costing and inventory control functions. | Sage BusinessWorks, with full complement of financial and manufacturing modules. | Order entry time cut by 20 percent; real-time inventory reduced material shortages; overall efficiencies boosted productivity by 15 percent. |

“Sage BusinessWorks has streamlined our order entry process by 20 percent. Having real-time inventory means that we no longer experience material shortages. Companywide ... Sage BusinessWorks has increased our productivity by at least 15 percent.”

Nancy Parmenter
 Business Manager
 Parmenter Studios, Inc.

Success Story

Lightcubes LLC

For the quintessential low-tech, gotta-have-it party gadget, look no further than the Litecube. The nontoxic plastic block looks like the fanciest of ice cubes. Inside is a colored light bulb that glows for 12 hours, activated by tapping on any solid object.

The crazy little cubes come in six different colors, and can be imprinted with logos or slogans.

"I've sold at least \$50,000 worth of Litecubes just on airplanes," says Terry Hickey, vice president of sales and marketing. "They're the rage at Hollywood parties." Customers have ranged from Playboy Mansion to the Pentagon and Paris Hilton.

When the company began in 2001, no one dreamed that Litecubes would grow so quickly to become a multimillion dollar enterprise. It therefore selected Quickbooks for bookkeeping tasks during its start-up phase. Once the company began processing hundreds of orders every month, however, the need for a midlevel system to automate more financial tasks was apparent.

Glowing Reports on Migration

"We selected Sage MAS 90 for our upgrade because of the easy conversion path from QuickBooks through the Data Migrator tool," explains Hickey. "We were ecstatic that data on our 2,000-plus customers converted seamlessly, as did all of our open invoices. We'd feared a horrendous upgrade process, and instead found it was relatively painless. We view this as a true success."

Sage MAS 90 provides Litecubes with an end-to-end business system, automating and integrating everything from accounts receivable and accounts payable to payroll and sales orders.

With the Sage MAS 90 Inventory Management module, managers at headquarters in California have real-time data on freight forwarded from Hong Kong, and know exactly what is being shipped directly to customers. "At a single glance, the system allows us to see what is on sales order, purchase order, in the warehouse, or on back order," says Chad Ackley, IT manager. "This is information we never had before, and lets us run the company smarter."

An Even Brighter Future

Ackley says that Sage MAS 90 has increased the speed of order processing. "Before when a PO came in, we had three separate points of data entry. It took up to 72 hours to get the order out. Now we enter data just once, and can ship the order the same day, representing a fantastic improvement in customer service. The system even generates invoices without additional data entry. Also, credit cards can be preauthorized without using a manual machine, and several people can now perform data entry at the same time, further streamlining operations."

"We have a lot of projects under development, such as multiple warehouses, more third-party vendors, and diverse product lines," notes Ackley. "Because Sage MAS 90 has cut sales order processing time by 75 percent and improved overall efficiencies by 300 percent, we won't have to hire new people to accommodate anticipated sales volumes."

| CHALLENGE | SOLUTION | RESULTS |
|---|--|---|
| Speedy growth mandated a robust financial system with multiuser data entry, automated sales orders, streamlined invoicing, and powerful inventory management. | Sage MAS 90–QuickBooks Users Edition, with full complement of financial and inventory modules. | Sales order processing time cut by 75 percent; total data entry time reduced by two-thirds; overall efficiencies improved by 300 percent. |

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Terry Hickey
Vice President of Sales and Marketing

About Sage North America

Sage North America is part of The Sage Group plc, a leading global supplier of business management software and services. At Sage, we live and breathe business every day. We are passionate about helping our customers achieve their ambitions. Our range of business software and services is continually evolving as we innovate to answer our customers’ needs. Our solutions support accounting, operations, customer relationship management, human resources, time tracking, merchant services, and the specialized needs of the construction, distribution, healthcare, manufacturing, nonprofit, and real estate industries. Sage North America employs more than 5,000 people and supports nearly 2.9 million small and medium-size business customers. The Sage Group plc, formed in 1981, was floated on the London Stock Exchange in 1989 and now employs 14,500 people and supports 5.8 million customers worldwide. For more information, please visit the Web site at www.sagenorthamerica.com or call 866-308-2378.

For more information on Sage please visit: www.SageNorthAmerica.com

For Sage BusinessWorks please visit: www.SageBusinessWorks.com

For Sage MAS 90 and 200 please visit: www.SageMAS.com

Sage

56 Technology Drive
Irvine, California 92618-2301

800-854-3415

www.SageMAS.com



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