

Sage Accpac | Whitepaper

Protect Your Investment

Why Maintaining Your Software Investment is Important



In today's business environment, you must do more with less. This economy is forcing company principals to manage their businesses more effectively and be more innovative to deliver results. And every day, you are tasked to deliver these results, while:

- Cutting costs
- Reducing resources
- Facing increased competition
- Managing shifting business demands
- Responding to an evolving marketplace

So how do you keep the pace? How do you ensure you have the right information to make the right decisions?

Your business management software delivers analytics and reporting functions that help you make informed decisions. To help you stay ahead, software updates and new versions are released that improve the functionality and usability of your solution. These updates ensure that you are able to manage new compliance issues and government regulations, further streamline your operations, and get visibility into the latest business intelligence metrics.

Maintaining your business management software is no longer a technical decision that can be made by the IT department, as your system is not just a key part of your IT strategy, but one of your most important and sensitive corporate assets. It is vital to develop a corporatewide strategy for how often the software and underlying technology will be updated so that the entire organization can plan and budget for the inevitable costs and disruptions.

Your systems should have at least a five- to ten-year useful life, but over that time they will need to be maintained and enhanced to protect their value and serve the changing needs of your business. The key to minimizing the challenge of upgrades is to have both a long-term software lifecycle strategy and a comprehensive tactical plan for the actual upgrade project.

Your business success depends on fully functioning solutions, and product upgrades are important enough that senior management needs to fully understand both the timing and project plan. You need to strike the right balance between regularly updating your software and minimizing cost and disruption to your business. This paper provides advice on why upgrades are important and how to build an effective process for maintaining your asset.

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Boost Profitability—Dynamically Link Your Front and Back Office

Sustaining or growing a business in today's economy is challenging. To help you succeed, the latest version of ERP solutions offer the ability to connect your front and back offices by dynamically linking processes, information, workflows, and communication channels. This seamless integration provides a 360-degree view of the life cycle of your customers, helping to identify areas for higher profitability by:

1. Maximizing visibility into your business and improving processing efficiencies through centralized access to information. Your finance department will save hours resolving issues with the front office staff, automate time consuming processes, and effectively manage collections – improving cash flow.
2. Consistently delivering exceptional and personalized service to take better care of your customers.
3. Increasing customer revenue share through highly focused business development programs.
4. Extending the reach and effectiveness of marketing campaigns.
5. Achieving significant cost savings and ongoing productivity improvements by enabling real-time corporate performance management, improving collaboration and eliminating process bottlenecks.

With improved visibility into real-time information comes the ability to manage exceptions better and adjust quickly to meeting changing customer needs.

Key point:

Maintaining your investment provides ample opportunities and benefits for your business.

Ensure Optimal Performance

Minimize downtime and workarounds! Upgrading improves the user experience and efficiency of the product. **By staying current and installing all service packs, you're helping to ensure that your software is running at optimal performance, while reducing downtime, user questions, and workarounds.** Upgrades introduce vast performance and multiuser environment improvements throughout your solution, allowing you to conduct everyday tasks in a fraction of the time.

Save Time and Maximize Productivity

You need to get more done with fewer people! **Improved company performance comes from saving money and ensuring employees spend their time in more productive activities.** Many new features focus on helping companies become more efficient in their daily tasks, allowing them to focus on growing their business.

The groups within your company that understand the need for these new features are the ones that can develop estimates of potential value. They can provide feedback related to how new features can provide better efficiency, faster response to change, new business models, or improved processes. Involving key groups early in the upgrade process will not only assist you with justifying the associated costs, it will also assist with user adoption and ensure you are truly realizing the value of the new release.

Better Manage Your Business

Increase insight into your business to realize your strategic vision! Companies today are facing constant pressure to increase profitability, improve cash flow, reduce costs, and mitigate risk in order to improve financial performance. Focusing on lowering the amount of working capital needed to run the business is critical in order to achieve these objects. This requires in-depth visibility into the business to facilitate improved operations and streamlined processes.

ERP vendors are now focused on turning the vast amounts of information stored in enterprisewide solutions into "knowledge," or intelligence that allows you to respond faster to new business trends and processes. **This functionality enables your employees and partners to adapt successfully to changes in today's markets and make better, faster business decisions.**

Enhance Collaboration

Improve internal, partner, supplier, and customer communication! Business Intelligence (BI) allows people within any company to communicate and collaborate at a new level. **This new technology is focused on getting the right information to the right people, when they need it.** In today's ultracompetitive business environment, BI is essential to increasing agility and improving decision-making.

An open exchange of information among employees is one of the key factors for a company's success in today's fast-paced business environment. While the volume of information that needs to be processed continues to grow, time and resources are limited. New solutions, functionality, and architecture continually provide tools to help you handle the daily flood of information more efficiently and securely, allowing for better collaboration. And flexible access options make sure all staff, customers, and suppliers can conveniently access information wherever they are using a Web browser or client-server operation.

Key point:

Automate manually intensive activities and better leverage your resources.

Lower Total Cost of Ownership

Gain a long-term competitive advantage! While many companies focus on cutting costs, companies successful in markets like today look to gain a competitive advantage for the long term. Stay ahead of the curve by investing in software maintenance and support plans, keeping your systems running with the latest software features and functionality but without paying full price for upgrades. With each new version you should ask yourself:

- “Am I paying for redundant applications?”
 - The updated core functionality of your solution may address many items offered by your third-party products, custom reports, or software modifications.
- “Will the upgrade disrupt my company?”
 - Understanding the benefits of upgrading and developing an upgrade implementation plan can assist executive management on setting the requirements of the upgrade and not divert attention from the strategic intent of the company.

Each upgrade project should be viewed as a focal point for a whole series of related improvements. At a minimum, this is an excellent time to consider implementing new capabilities and refreshing the technology environment, but it is often combined with other business and IT initiatives. **Upgrades are an excellent time for you to evaluate your IT portfolios and look for opportunities to eliminate custom software, unneeded modifications, and even third-party or legacy systems in order to simplify your systems and lower costs of ownership.**

Diminish User Interruption

Avoid increased training costs and improve user efficiency by staying current and staying trained! Allow users to retain familiarity with the system and not fall too far behind on previous versions. Doing so will avoid the need for a complete implementation and a significant learning curve for your users, all of which save your company money. Upgrades mean change for users who have become familiar with the existing version—even the workarounds they need to use. They know their jobs and how the existing software works.

Your staff must understand how the upgrade is going to improve their workflow and how to use the new enhancements effectively. **Provide this document to your staff along with key resources, such as an implementation strategy document, and access to additional training to ensure you are maximizing your investment.**

Compliance with Government Regulations

New legislation and regulations are continually being passed, and you only have a certain amount of time before you must comply. These changes are enforced through heavy fees and penalties. Sarbanes Oxley, IFRS, ISO, Bioterrorism Act, as well as continual payroll and human resources regulations affect many different industries and organizations. While many of these regulations do not require specific software, they do require that you comply with certain documentation and process standards. **Your software can assist you with compliance and save you significant resources, ease your certification process, as well as save you from paying the heavy penalty fees.**

Keep Up With Technology Advancements

The evolution of technology is as certain as death and taxes! Hardware, databases, operating systems (OS), servers, and all IT infrastructures are ever-evolving. You can't afford to be running your business on outdated software.

Upgrades are necessary to support the latest servers, operating systems, hardware, and database technologies, ensuring that your system is supported and running at peak performance. Not upgrading means you might be faced with legacy systems that are no longer supported or maintained by the manufacturer, causing you to miss out on receiving bug fixes, legal changes, and technology compatibility. Avoiding the maintenance premiums alone can help you realize significant savings.

Another significant area of risk is technological obsolescence. Hardware, operating systems, and databases tend to evolve faster than ERP systems. You must stay up to date to capitalize on the benefits of newer and more cost-effective technology. The monetary value of this risk increases dramatically if your business begins to face capacity constraints related to transaction throughput or data volumes. In some cases, upgrading may be the only way to ensure critical functions like order processing are not degraded. The upgrade also may allow IT to add needed capacity at a much lower cost.

Further Streamline Operations

ERP software is designed to be flexible and adaptable because every business has its own challenges and its own way of doing things. **Business management systems that are tailored to your unique business can help you be more efficient, productive, and profitable.**

Upgrading gives you the opportunity to ensure your solution is meeting your business needs.

You should assess your system to determine if you have adequate user licenses, the appropriate modules to automate manual processes, the right deployment solution for your business (Online or On-premise), and review any industry-specific tools to meet unique requirements and further streamline your operations.

Get the Answers You Need, When You Need Them

Access to services, experts, and latest software updates means your staff have the tools they need to get the job done! Support and services, such as maintenance plans, payroll updates, priority support plans, professional services, and online training are not available for legacy systems. Staying on current version means that you save time resolving issues, leaving more time to achieve your business objectives. Your maintenance and support subscriptions subscription helps you get the most out of your investment—so you and your teams can do your best work, every day.

Build an Effective Process for Maintaining your Asset

Failing to invest in periodic upgrades of your business systems can reduce the value of your investment and shorten the asset life.

The decision regarding upgrade frequency must consider your ERP vendor's support and maintenance policy. The upgrade timing also needs to accommodate software release schedules, requirements for new software functionality, availability of internal and/or external resources, unacceptable go-live dates (such as busy seasons or fiscal year end), and related business initiatives.

It is very important that your management team and business partners understand the nature of ERP systems so that they can appreciate the importance of having a long-term upgrade strategy. A proper upgrade strategy should span a minimum of ten years, and you need to develop a strategic plan for the timing and frequency of upgrade projects. Running the company's most critical business processes on unsupported software is too risky to be acceptable to most boards of directors.

Upgrade Project Buy-in

Upgrades may seem expensive, but they are much less expensive than replacement projects. A critical part of the upgrade strategy process is educating the critical mass of employees to understand ERP upgrades are a normal part of the product lifecycle. Strategic planning helps to minimize resistance as management and business leaders realize the necessity of upgrading your solutions, lays out the time frames of the next several projects, and allows for financial and resource planning.

Business management systems are typically implemented in phases over several months or years. The phases typically represent groups of modules, business units, geographic locations, or sometimes combinations of all three. The upgrade strategy needs to be positioned as a continuation of that approach, with an annual review that can respond to inevitable changes in the business requirements and incorporate improvements in technology. You must define the total value of ownership, as compared to the total cost of ownership to justify the cost and resources involved in the upgrade.

Based on your direct feedback, usability reviews and customer feedback, the key enhancements developed will help to automate workflow and reduce costs throughout the organization, helping your business accomplish more.

The groups within your company that understand the need for these new features are the ones that can develop estimates of potential value. They can provide feedback related to how new features can provide better efficiency, faster response to change, new business models, or improved processes. Involving key groups early in the upgrade process will not only assist you with justifying the associated costs, it will also assist with user adoption and ensure you are truly realizing the value of the new release.

Developing a Project Plan for a Successful Upgrade

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Your software consultant and ERP vendor play an important role in the success of your upgrade. A certified consultant can provide an implementation strategy, checklist, and user training plan to ensure the disruption to your operations is minimized and the value of the upgrade is realized. A strategic project plan and project manager will decrease the risk of business disruption and maximize the expected benefits. The project should:

- Provide a governance structure in place and management oversight with specific milestone dates, metrics, and change management.
- Have a formal planning process, which is critical to determine what organizational changes, business process improvements, and technology updates are in scope for the project.
- State the above mentioned justification for the upgrade and identify any necessary costs and resources.
- Include an evaluation of existing modifications to see if they are still needed and plan to redesign any integration software, custom reports, or procedures that may be affected by the upgrade.
- Ensure the data migration plan will clean up the database, train your project team, and create or revise documentation and training materials.
- Include a performance walk-through for all key business processes including comprehensive integration and functional testing.

After you go live on the new version, you will want to ensure you fully evaluate that process changes and efficiency updates are realized and additional employee training is provided if adjustments are needed.

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 4,100 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.

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