

Growing Pains

– What symptoms do you recognise?

During the developing years, companies are typically recommended to use a starter finance package, the software doing exactly what it says on the tin – simply managing accounts and providing all the day to day information.

With the welcome prospect of size and revenue growth however, such systems have implications on your financial management. They are designed to cope with a finite amount of data and basic transactions, so once you exceed certain volumes and accounting becomes more complex, you are likely to experience clear growing pains. Here are just a few that you might identify with:

Data corruption

Data becomes corrupted because the system is overloaded. Sometimes the vendor can help retrieve data but this can be both expensive and inconvenient if you have to do it on a regular basis. The problem with starter systems is that they are not scalable and will eventually need to be replaced.

Time consuming reports

Reporting takes much longer than previously and needs substantial manpower to collate information for different groups or individuals and is outdated by the time it is produced.

Problems extracting data

You can't get the information you need and are forced to purchase additional software from third parties or use other time-consuming alternatives to extract data.



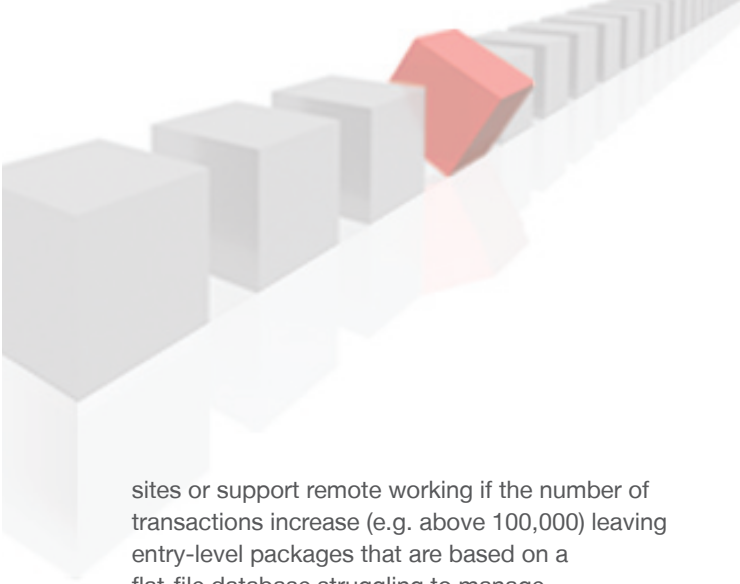
Many rely on Excel to take information out of the main system and work on it separately and then put it back afterwards but this can lead to multiple errors (click here for the article on 'Spreadsheets: Curse or Cure')

Poor performance

Plagued by poor performance due to large data files clogging up the system. The only solution is to remove data which can be both time-consuming, complicated and open to mistakes.

System literally grinds to a halt

The system slows or does not allow access for multiple users and the system may "fall over" if processing more data than the database can handle. This issue is exacerbated if you want to open additional



sites or support remote working if the number of transactions increase (e.g. above 100,000) leaving entry-level packages that are based on a flat-file database struggling to manage.

✓ Difficulties in backing up finance data easily and securely

Many users of smaller packages complain of having to manually store files onto floppy disks or other media and are then faced with not being able to recover data later.

✓ Grumbling from finance staff

The finance staff feel the accounting system is holding them back from what they'd like to do and what senior management is asking of them.

✓ Overspending

This becomes commonplace because key staff do not have the latest up to date budgets to work from.

✓ Investors are nervous of funding your business

This is because it proves difficult for them to see a transparent view of the accounts, due to inadequate drill down capabilities. Lack of trust in the accounting system may lead investors to walk away.

Of course growing pains are an inevitable and desirable

part of running a successful business, but it's useful to know when and how these should be addressed. Ironically, if you are already experiencing any of the above then it's a sign your business is doing well. But to make it grow faster, now might be the time to upgrade your system to a scalable platform.

Although it's sometimes easier to just tolerate what's familiar rather than actively seek out an alternative, if your current system is costing you time and money to maintain and hindering growth then you should consider an alternative that can not only cope better and release any bottlenecks, but can also introduce substantial improvements and cost-savings both now and in the future.

If you need further information on scalable accounting systems, contact bluQube on **08456 44 77 88** or visit www.bluqube.co.uk.

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