

THE BOTTOM LINE

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A Microsoft Great Plains Case Study

CAN A \$350,000 INFORMATION TECHNOLOGY INVESTMENT BE JUSTIFIED FOR A SMALL COMPANY?

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SITUATION: Permacharts manufactures laminated charts that provide readers with facts at a glance.

You may have seen their products when you studied the periodic tables in chemistry, learned a new product or attended a seminar and received a laminated reference guide.

The company has revenues of less than \$5 million and employs less than 25 people.

The president of the company, Carmine Bello, decided that its custom system had too many problems and needed to be replaced.

Bello's vision saw that the new computer system must include an integrated back-office (accounting and distribution), front-office (customer relationship management — CRM) and eCommerce.

There are many good accounting and distribution systems today, but an integrated CRM system is hard to find.

In the past few years, most CRM implementations took place in very large companies. These implementations have been expensive and not without their problems.

However, the advantages of CRM are huge even for smaller organizations. Imagine everyone in the company including marketing, sales, accounting and services actually sharing the same customer information.

One of the big challenges for CRM is integration with the accounting system, and there are so many points of integration — CRM should generate quotes that can in turn become orders in an accounting system.

Both the accounting system and CRM need to share customers, inventory, pricing, terms, contacts.

Permacharts also wanted its e-commerce system to be integrated with its CRM and its accounting system. This vision of an integrated back-office, front-office and e-commerce is a challenge for any

sized company.

OBJECTIVES: Customer service is the highest priority for Permacharts. Any employee or strategic partner of Permacharts requires access to up-to-date customer information — making CRM was the company's key requirement.

Not only does CRM enhance customer service, it also provides accountability for strategic partners and staff, who will be updating the system anywhere/anytime with the results of the last customer visit.

CRM forces staff and strategic partners to do their jobs effectively, and both weak and top performers will be noticed more quickly.

As well, opportunities are logged in CRM, allowing management to easily ensure that those with the highest probability and dollar value are dealt with quickly.

Another objective was to streamline operations. Permacharts was looking for a 30-per-cent increase in productivity, mostly in the quote & ordering process.

Employees and strategic partners in the field would be able to enter information directly into the system. The new system would also open up new sales channels by allowing Permacharts to sell smaller quantities to individuals on the Internet using eCommerce.

SOLUTION: Permacharts chose Rimrock Corporation to implement Microsoft Great Plains Business Solutions.

The solution included accounting, distribution, CRM (Great Plains Siebel Front Office) and e-commerce all supported from one source.

Permacharts expects to spend \$350,000 including all software, services, hardware, networking and Internet expenditures over two years to achieve its objectives.

Accounting, distribution and Great Plains Siebel Front Office are now implemented.

Remaining work includes e-

commerce and allowing remote access of Great Plains Siebel Front Office to employees and partners. Permacharts selected Microsoft Great Plains partly because it was already integrated with Siebel for CRM.

The Microsoft Great Plains CRM was the key, but Permacharts needed an integrated accounting system. Microsoft Great Plains Dynamics SQL accounting seemed like overkill for Permacharts, but the additional cost was deemed justified because it was integrated with Siebel and because Permacharts also required additional functionality for its light manufacturing processes, including bills of material, factory work orders and production scheduling.

For smaller organizations, basic accounting functionality has become widely available at a low cost.

Permacharts' accounting requirements were not demanding and the company could have purchased a low-cost accounting system if that was all it needed. Another option was to purchase a low-cost accounting system and integrate it with a CRM system like Siebel.

However, Permacharts did not want to expose the company to a customization for integration of accounting with CRM.

The company viewed customized integration as the potential weak link that could bring down the entire system. Permacharts viewed Microsoft Great Plains as an insurance policy.

So what's the fuss about CRM? CRM automates sales, service and marketing and should help increase customer satisfaction, shorten sales cycles, improve efficiency, and increase revenue.

Siebel, one of the leading CRM products for CRM, has packaged a mid-market version for Microsoft Great Plains. Microsoft Great Plains is using XML (Extensible Markup Language) technologies to integrate Great Plains and Siebel.

XML is an article in itself; but briefly, this technology holds the promise of allowing true business-to-business (B2B) Internet transactions amongst any company with any system that can understand XML.

There are a number of different versions of Microsoft Great Plains' accounting systems — Small Business Manager, Dynamics, Solomon and eEnterprise.

Permacharts chose Dynamics, which can be implemented using either Microsoft SQL Server or Scalable SQL/Btrieve.

Permacharts selected Microsoft SQL server for Microsoft Great Plains, which would have been chosen even if it wasn't a requirement — Great Plains Siebel Front Office is only available with Microsoft SQL Server.

Permacharts chose Rimrock Corporation partly because of the integrity of its president, Jonathan Taub — he did not try to oversell Microsoft Great Plains.

In fact, from the beginning Taub advised Permacharts that it would be a stretch for Permacharts to implement Microsoft Great Plains.

Bello responded to Taub's concerns by explaining that Permacharts is a fast-growing, high-margin operation with many opportunities to leverage its products globally. Bello did not want to implement another product in a few years as the company once again outgrew its systems.

The Rimrock team has taken a go-slow, phased approach when Permacharts initially preferred a much faster implementation. Permacharts also spoke highly of the professionalism of Rimrock's staff.

Of course there have been problems. The biggest problem has been integration of Great Plains with Siebel. Rimrock has been responsive and worked closely with Great Plains' technical resources to provide fixes to issues as they arose.

Another problem related to Permacharts' multi-currency require-

ments for certain customer accounts that required a slight modification which Rimrock provided.

A successful implementation depends not just on the product selected and the implementation partner but also on the resources of the company being implemented. Employees must have the time, the desire and the ability to convert to a new system.

Any implementation draws substantially on people's time, and is even more challenging for small offices like Permacharts.

RESULTS: It's not over yet. The investment in Microsoft Great Plains is a long-term investment.

Permacharts will benefit by increased productivity, but there have been no measurements taken to prove the extent of the improvement. In any case, the potential improvement in productivity is, for Permacharts, pale in comparison to the benefits of increased customer service.

The investment can also minimize huge problems that could be caused by staff and strategic partners if they were not forced to be accountable.

When CRM is available remotely and e-commerce is working, additional revenues will be possible. Permacharts will expand by forming strategic partnerships throughout the world and Microsoft Great Plains will provide the foundation.

BOTTOM LINE: Permacharts has bet the farm on Microsoft Great Plains. Microsoft looks at Great Plains as the next multi-billion-dollar business for Microsoft. Last year Great Plains' revenues were \$300 million US. Microsoft is pouring in R&D dollars to Web-enable and XML-enable its product. Microsoft Great Plains will not leave Permacharts behind.

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