



Using technology to improve your cash flow

Cash flow, not profits, is the lifeblood of any business. If not managed well, it can literally cause your business to fail. A crucial part of managing cash flow is ensuring that your billing, collections, and payable systems are operating as efficiently as possible. So the question is, is your business using the right accounting systems?

“Accounting solutions for businesses are like breathing air. They are not going to make you rich but without them your business is going to die. When you go to the bank for a loan, you need to know what is happening in your business, which customers owe you what, how much money you are making and what your cash flow is,” says Steven Cohen, managing director of Softline Pastel.

An accounting solutions package should improve the way in which your business operates. A good package will not require you to change any of your business operations, instead it should be able to meet your business’ requirements. “No matter what business you have, you should be able to integrate your information into the system with ease. Your accounting solution should be a business enabler, not a business driver,” says BMH Holding’s director, Marilyn Howard. “It should take you no more than a day to set up all your information on the system and to begin working on it.”

Packages usually cost between R1 000 – R25 000, depending on your needs and the package itself. However, other options do exist. BMH tailor-makes packages that clients can rent on a per month / per user basis. Because it is a rental, you will not require upfront capital to pay for it. The rental cost per year could be half the price of purchasing a similar package.

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Any solution that you choose should be password encrypted. Howard says that every user should have a profile, which indicates which functions they are authorised to view. This allows a business owner to have a system with multiple users, all with different authorisation levels. In this way strict security can be maintained around confidential information.

Find an accounting solutions provider that offers you choices in their packages. If your business requires you to travel often, opt for a



package that is internet based, such as Softline Pastel’s My Business Online. It gives business owners the freedom to run their business from anywhere, at any time. The system is similar to traditional packages in that it helps business owners keep track of their sales, purchases, inventory, customers, suppliers and cash movements.

Do not let the concern of security deter you from an online solution. Recognising how critical security is in

an accounting package, Softline did extensive tests to ensure their clients' data resides on a secure server. "We enlisted over 500 independent IT technicians to hack into the system and none were successful. This is much safer than keeping data on a laptop. We all know what happens in your business when your laptop gets stolen," says Cohen.

Most programmes are evolving so that users do not have to know accounting jargon to use them. Like most programmes, My Business Online has replaced accounting terms such as debtors and creditors with 'people owing me money' and 'people I owe money to'.

Another factor to consider is interactivity. It is important that

companies are able to input and access information from their accounting systems for use in other parts of the business as it is needed. This is best done through an online system as information is updated immediately and does not require extra time to be formatted.

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Before making any decisions, it is important that you ask yourself some

basic questions, such as what the business needs will be in two years. It is also worth thinking about the number of people in the business that will need to access the software. Thereafter talk to different accounting software suppliers. Look at the functionality that their programmes provide, download a trial version and talk to organisations that use them to understand which accounting system will best support your business' needs. **S**