

CFO's Guide to Replacing Accounting Software



Manufacturing

Replacing Your Accounting Software

This guide is designed to help CFOs get a better understanding of when, why and how to go about upgrading their accounting software.

No software lasts forever. Eventually, manufacturing companies outgrow their small-business accounting systems and need more complex functionality to manage more complex business processes.

But deciding when to upgrade your accounting software and to what type of system is a big undertaking. It's important to understand what's driving the need for a more robust solution. Ideally, a new system will help you make notable gains in efficiency, productivity, growth and cost-savings. Choosing the right time to upgrade and the right system to upgrade to, however, can be difficult.

Unlike small-business accounting solutions, modern business software includes features like real-time analytics, production planning and mobile access. As your business grows, your software should provide you with the features you need to continue your success, not get in the way of it.

This guide will also look at:

- › The signs it's time to replace your accounting software.
- › How ERP software works and why it's a better solution for growing businesses.
- › Why CFOs should consider an ERP built for the manufacturing industry.
- › How to go about choosing the right solution for your business.

Manufacturing

Knowing When It's Time to Upgrade

One of the many questions CFOs ask when deciding whether to replace their accounting software is, "Why now?". Below, we outline the signs it's time to replace your current solution.

Lack of Scalability

Traditional accounting programs like QuickBooks require extensive add-ons or manual workarounds to manage higher volumes of transactions. This can lead to rising costs and limit company-wide growth.

Limited Reporting Functionality

To make the best decisions for your company, you need access to the data that matters most to your business. Traditional accounting systems are limited in reporting size and scope.

Storage Limitations

Many accounting systems limit the amount of data or records you can store at any given time, which forces companies to purchase additional storage or be highly selective about the data they keep..



Manufacturing

Signs It's Time to Upgrade...

Data Silos

Accounting software that doesn't integrate with other mission-critical business systems can create unreliable data and limit your insights.

Unreliable Data

Human error happens, and when you're using a hodgepodge of software applications to run your business, multiple data entry processes will undoubtedly create inaccuracies and make it hard for decision-makers to make good decisions.

Lack of Visibility

Accounting software that doesn't provide insight into your entire organization – including inventory data and customer information – makes it impossible to make decisions for the company as a whole.

Lack of Manufacturing & Inventory Capabilities

While some accounting solutions can handle minor manufacturing and inventory records, as your company grows and transactions increase, systems like QuickBooks won't be able to keep up.

No Forecasting

Tools that cannot forecast consumer demand or market shifts could end up costing you more in terms of labor, production runs and operating expenses.

Inefficient Workflows

If your team is spending more time on manual tasks and workarounds than on actual production, you could be losing big money.

Manufacturing

What About QuickBooks Desktop Enterprise?

While this version includes more than just basic accounting functionality, there are still critical limitations:

- Does not include functionality for manufacturing, sales, marketing, supply chain management and more.
- It is not natively cloud-based and has a maximum number of 40 users.
- Can't accommodate processes such as asset management, revenue recognition or subscription billing.
- Requires additional software systems to address limitations.

Who Wins: Standalone Accounting Systems or Comprehensive Cloud ERP Solutions?

Standalone accounting systems and Cloud ERP solutions both provide a bevy of benefits, but a side-by-side comparison reveals which one is an end-to-end, integrated and future-proofed option – and which is not.

Side-by-side Comparison	Cloud ERP Solution	Standalone Accounting Software
Full-featured solution that allows businesses to manage accounting, financial notes, CRM, supply chain, inventory, manufacturing (and more) data from a single, centralized database.	+	+
True cloud-based solutions.	+	Varies by solution
Easily integrated with third-party and business-critical applications.	+	Varies by solution
Provides complex and built-in financial reports.	+	Partially
Simplifies payroll and tax filing requirements.	+	+
Handles logistic, inventory and warehouse management needs.	+	Varies by solution
Offers personalized dashboards with drill-down capabilities.	+	+
Automates common back-office processes, such as data entry and inventory tracking.	+	+
Mobile-friendly; supports remote workforce capabilities.	+	Varies by solution
Enables a 360-degree view into an organization's overall performance.	+	+
Ensures security and data backups via the ERP vendor.	+	Varies by solution
Scales with the business.	+	Partially

Nextec Group is an award-winning business software consulting firm with over 30 years experience. We specialize in implementing ERP, CRM, BI, Cloud and On-premise solutions that can manage product recalls and customer issues, track products, reduce waste and improve operations. nextecgroup.com

For a side-by-side comparison of standalone accounting software vs. a cloud ERP system

[Click here](#)

Manufacturing

What is ERP Software?



Now that you've decided your company is ready to upgrade its accounting software, it's time to ask "What's next?". An Enterprise Resource Planning (ERP) solution is the logical next step for a company outgrowing its basic accounting software. ERP works by managing critical business processes across an entire business and bringing all departmental data into a single cohesive system. The result is streamlined operations and real-time insight into company-wide data.

An ERP solution operates using financial and accounting data as its foundation. All other modules – including manufacturing, production management, inventory and advanced planning – are supplied with that financial data to carry out their jobs. Using this data to manage every aspect of your business allows you to perform more advanced processes, such as automated inventory reordering, by utilizing the most current, accurate information, like the availability of cash to spend on materials.

Manufacturing

Core Features of ERP Software



Manufacturing

The Differences Between Accounting Software and an ERP Solution

The biggest difference between the two solutions is ERP's ability to manage all aspects of a business. While accounting software is great at managing a company's financial data, ERP software includes functionality like warehousing and inventory management, key operational aspects of a manufacturing business. These additional features make it possible for the information from those operations to flow into the ERP's accounting module, giving leaders full control and visibility into how their business is running.

On top of this, ERP software:

- Is flexible and scalable, so as your business grows in size and complexity, your system does too.
 - Comes equipped with **role-based dashboards, pre-built reports and advanced analytics** features to give you access to the business metrics you need.
- Is often built with **industry-specific capabilities** to address industry-specific challenges.

"We love that with Acumatica, we can add as many users as we want without paying more. That allows us to open the solution to more of our staff, both at our headquarters and in our manufacturing facility."

– Houston Lee, DAS Medical

Manufacturing

Why ERP is Better for Your Growing Business

Businesses relying on accounting software struggle to adapt to today's volatile market. That's because these companies are hampered by high IT costs for one-off integrations and customizations that provide minimal functionality to grow and succeed in new markets.

Instead, a modern ERP solution empowers businesses with advanced financial and operational features that provide a holistic system for managing an entire organization. For example, embedded CRM functionality within an ERP system arms leaders with high-quality leads to boost sales and provide customers with exemplary support using native case management and self-serve customer portals.

Organizations that have the ability to align information and workflows

across all operations can drive significant improvements in every area of their operations by using a platform – like an ERP system designed for extensibility.

70%

Seventy percent of manufacturers plan to increase tech spend by at least 10% in 2023.

Only 6% have plans to reduce their tech budgets in 2023.

2023 State of Manufacturing Software Adoption Report, Capterra

Manufacturing

Choosing an ERP Built for Manufacturing

Because an ERP system manages all areas of a business including production, finance, compliance and inventory, you no longer require multiple systems to manage individual departments. By eliminating the need for multiple applications and the inherent errors that come along with duplicate data entry, business leaders can ensure superior data integrity and more efficient business processes. To make sure you choose the right system for your manufacturing business, look for an ERP that integrates the following features:

Advanced Financials

Track daily financial operations and generate statements with reporting, analysis budgeting and planning tools. Manage international production costs with multiple base currencies for financial reporting.

Bill of Materials (BOM)

Create standard costing and production definitions for bills of material, routing labor operations and overhead.

Production Management

Track material, outside processes and labor costs by work order. Compare estimated, planned and standard production costs to the actual costs of the production order. Maintain lot and serial traceability throughout an item's lifecycle.

MRP

Generate time-phased manufacturing and purchasing plans for optimal inventory availability tied to demand forecasts and customer demand. Manage plans by site or across multiple locations.

Advanced Planning & Scheduling

Generate time-phased manufacturing and purchasing plans for optimal inventory availability tied to demand forecasts and customer demand. Manage plans by site or across multiple locations.

Manufacturing

Choosing an ERP Built for Manufacturing...

Order Management

Manage sales activities such as quote entry, sales order fulfillment, shipment creation and price management. Reduce costs and improve vendor relationships by automating and centralizing purchasing processes.

Inventory Management

Manage inventory receipts, warehouse transfers and transfers to production orders. Track inventory by warehouse, bin and location with lot and serial traceability. Manage inventory valuations, expiration dates and use matrix items to manage product families.

CRM

Improve relationships and shorten sales cycles with embedded CRM for a 360-degree view of customer relationships and activities. Generate more leads with marketing automation and shorten sales cycles with real-time insights into manufacturing sales activities.



Manufacturing

Selecting the Right System

Choosing the right solution for your company is critical. Selecting an [ERP system built for manufacturing](#) will help you manage the unique challenges of the industry more effectively. To perform at its full potential, your company needs a solution developed and implemented by experts who thoroughly understand your challenges and needs.

Compared to generic ERP solutions that require extensive customization to address the day-to-day challenges of manufacturers, a purpose-built solution for manufacturing will come equipped with the tools you need for success.

For more information about ERP software for the manufacturing industry, download our [Beginner's Guide to ERP for Manufacturers](#).



Manufacturing

Selecting the Right System

The NexTec Difference

At NexTec, we help businesses select, implement and optimize their software. With almost 30 years of experience, we're focused on providing customers with the best solutions for their unique business needs.

Our proven implementation experience has resulted in a 90% annual retention rate, with 50% of our clients switching to us after working with another partner. NexTec is the biggest and most experienced Sage X3 team in the industry and is a gold-certified Acumatica partner with one of the largest Acumatica teams in North America.

To learn more about how to go about choosing the right Value Added Reseller (VAR) for your company's unique needs, check out our [Ultimate Guide to Choosing an ERP Implementation Partner](#).



Contact to learn more
about ERP software

Schedule a Demo



Connect with NexTec expert to explore how a modern ERP can improve your business.

Let's Talk

Contact Us

844-466-8477

info@nextecgroup.com

NextecGroup.com



nextec

NexTec Group is one of North America's largest and most experienced technology consulting firms, specializing in industry-specific solutions for mid-sized organizations. For thirty years, NexTec has been a trusted partner to businesses, delivering, implementing, and supporting the core Enterprise Resource Planning (ERP) and Business Intelligence (BI) solutions they need to scale and grow. With seasoned consultants from coast to coast, and a premium portfolio of innovative business management solutions including Acumatica and Sage X3, we help you get the most out of your technology investments.