



White Paper

Integrated Accounting – The Good, The Bad and The Ugly?

Implementing a financial management system is a key factor in helping you meet your agribusiness needs. In this paper, we review the elements provided by integrated accounting software to help you boost your productivity.

So, your accounting is separate from your sales, inventory and production system/s. Is this because you feel the separation keeps your accounting private and secure? Or, because your staff knows how to use it? Or, they are afraid of losing control of the accounting if you integrate? Or, because that is how it has always been from a bygone era?

Regardless, this means that you have to transfer your data between systems. This takes time and often results in entry errors and miscoding of account information. Or worse, it could result in a data loss and mismatch of information. In many cases, the separate accounting system being used has no security or audit controls so that information can be changed or maliciously altered when it should be a permanent record.

On the other hand, the separate systems used are often considered easy to use with a friendly interface. It may have even been suggested by your external accountant who is familiar with it, having worked with small family businesses using the suggested system.

But is it right for you? If your controller or users are family members, then you probably have great trust in their integrity and have no fears about their honesty. But if they are not and your accounting is open to manipulation, you have put temptation before them. In fact, family businesses that have grown beyond having a family member do the accounting are really exposed by the use of such systems.

What are you losing by using a separate system?

- Integrated systems can provide cost accounting data that comes directly from the operational part of the software including standard quantities and provides profit/loss information specific to customers, items and item classes with little or no additional effort on the part of the user. The costs and revenue associated with different types of activities can provide priceless information about your business. With an integrated system you can get more for less.
- Integrated systems directly connect the accounting codes to all of your applications so that all coding is consistent and all accounting entries automatically transfer ... without errors and loss of data.
- Integrated systems generally have much more functionality and can provide more and better reporting. For example, they generally allow you to directly drill down from the accounting entry into the source transaction. This provides quick confirmation and understanding of the accounting entry.

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- Integrated systems can be as secure and private as you need with security set by the module, program, or even to the data field. You can specify who sees the accounting information.
- Integrated systems generally provide a much better data structure, more accessible information and powerful tools for data analysis, business intelligence and dashboards. This allows you to better understand your business and make timely decisions. This results in better decisions that add to your bottom line.
- Integrated systems can provide accounting information, if desired and relevant, to other modules. This is particularly important where a separate system is also used for receivables or payables. For example, receivables information can be used in the sales process for credit review and control purposes.
- Integrated systems can give you the confidence that you are receiving updated information based on all of the transactions contained your system. Certainly, the accounting reports are available in real time and end of period reporting can be available much earlier.

Conclusion: Are integrated systems a boon or bane? Many users of separate systems feel comfort with the control and simplicity provided by such a system and are willing to trade off the extra work involved in maintaining the system. But what are they losing? Maybe not much and perhaps their job security. But what are you and the business losing? This is substantial. While you don't know the real cost to the bottom line of this separation, it can be huge. Is it worth the risk for the benefit of your accounting staff? Since most nursery and agri-business systems automatically come with integrated accounting, why not manage with it and enjoy what it can do for you? It is a boon!

Argos Software develops and supports ABECAS™ Insight, an enterprise level Nursery and Greenhouse Management Software system, . This system is modular and includes Receivables with Collections Management, Sales Order Processing, Delivery (Dispatch) Management, Inventory Management, Purchase Order Processing, Production Management, and Accounting. Various other modules are available including Contact Management, Equipment and Facilities Management, Payroll, Freight Management, Handheld Systems, EDI, Business Intelligence through Dashboards, and Automated Processing through our Task Agent. To find out more about this system, email us or call **1-888-253-5353 Ext 2**.

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