Your Accountant
IS AN OBSTACLE

Know it *now*® A WHITE PAPER BY PETTIT CONSULTING, P.C.
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CPA

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Introduction

In today's challenging environment, management needs all the operational information it can get in order to make informed decisions. The more timely the information, the more useful it is. As information ages it becomes more and more useless. Information that is months old is totally useless to management in most industries. Information that is weeks old might not be useless but it is pretty close. For instance, finding out today that you didn't ship something yesterday is probably better than finding out next week, but it's certainly not as good as finding out yesterday morning that something was going to prevent you from shipping something today!

Let's consider the managers of a major league sports team. It wouldn't do them much good if they had to wait days, weeks, or even months to know the results of each play. Finding out the score 75 days after the end of each quarter would be pretty useless. Not knowing how many yards are needed for a first down or how many outs there are until 10 days after the end of the month would require managers of sports teams to have supernatural powers when making decisions. Certainly, neither management nor fans (investors) would tolerate this.

However, we expect management and investors of commercial organizations to make responsible decisions with

information that is typically weeks, if not months, old. The funny part is that everybody thinks it's normal and acceptable! That's just the way it is.

Traditionally, the accounting department has been responsible for providing financial results to management. Operational results sometimes bypass the accounting department on the way to management but the information is still typically provided too late to be useful.

This paper is intended to help executive management begin to revolutionize the organization to provide instantaneous real-time financial and operational results to all levels of management. After that, we'll conquer time travel (not really, that's not possible yet)!

Chapter 1
Defining the Problem

The accepted standard that accountants can't provide financial or operational results to management and investors for weeks, or even months, was fine in the 1800s when everything was done by pencil on columnar paper, but it's pretty pathetic in the 21st century.

Not too long ago, there was a worldwide computer conference sponsored by one of the leading database companies in the world. In his keynote speech the CEO actually stated, without any embarrassment, that even after a week he still didn't know whether the company met its sales goals. He apparently thought this was normal and acceptable.

Because financial and operational results are normally provided so late that management and investors find the information almost totally useless, management develops alternate ways to get the key information necessary to run the business on

a day-to-day and hour-to-hour basis. The accountants are there for tax and regulatory compliance. Oh yeah, the accounting department probably pays the bills, does payroll and processes the cash receipts too. Whoopee!

Problems are typically not identified in time to resolve them before they happen. "Maybe we'll have enough time left in this quarter to fix the problems that happened last quarter." Is there something wrong with that picture?

The problem is partially caused by the accounting profession's lack of knowledge about information technology and its capabilities. The AICPA has a fairly new designation known as a CITP (Certified Information Technology Professional). However, the designation is still in its infancy and doesn't project any clear definition or meaning. There is very little standardization on the qualifications required to earn the designation (other than the high fee one must pay to the AICPA to use the designation). Unfortunately, the accounting profession has not kept up with technology. Accountants are resistant to change (like everybody else) and accountants are not usually known for their creativity and ingenuity (with a few notorious exceptions).

The SEC and other regulatory and standard setting bodies are far more concerned about the theoretical issues determining how and when transactions should be recorded. The timeliness of the information never seems to be discussed. In general, public companies don't need to disclose financial or operational data to investors until about 75 days after the end of the fiscal year. Yet the stock market is open almost every business day. Would it be so bad

if investors could have real-time access to financial and operational results? I'm sure upper management shivers at the thought, but if management had the same real-time access perhaps they could be a little more informed as they make management decisions!

The accounting systems courses offered in most universities are pretty useless and may not even be required to get an accounting degree. Today's accounting graduates learn virtually nothing about accounting or operational systems in school. It's extremely rare for them to work with something more sophisticated than a system designed to be used by a startup company with a handful of users. So even though Millenials may know far more about computers, they have no idea how to take that knowledge and provide real-time financial and operational results to management. Few accountants straight out of school have any idea about audit trails or how transactions post to journals and how journals post to ledgers. The concepts may have been touched on in class, but far more time is spent on accounting and tax theory than on accounting systems.

Likewise, the Management Information Systems and Computer Science degrees offered by most institutions don't prepare their recipients to go out and conquer the starvation that exists for real-time data. There is a lot more variation here, but the Computer Science degree is commonly in the School of Engineering and requires few, if any, business courses. The MIS degree is more commonly in the School of Business but most baccalaureate programs only skim the surface of what an ERP system can do, if it's covered at all.

Of course the backwardness of many of the legacy ERP systems on the market doesn't help. If you have to post batches of transactions or go through system mandated month-end or year-end closing processes, by definition it's impossible to have access to real-time data. A few real-time systems are available but they don't have the name recognition of the batch systems provided by Microsoft, Sage, and

Oracle. Carillon was probably the first Windows-based real-time client server ERP package with its first installation in February 1994 and it was listed as one of the Journal of Accountancy's top ten mid-level ERP packages. Yet it doesn't have the name recognition that some other vendors have.

However, the biggest problem is that management doesn't demand real-time access to financial and operational data and all accountants have been taught that it's not possible. Since management doesn't demand it, the accountants see no need to provide it. The accounting department is a necessary evil and management commonly prefers that the "bean counters" just stay out of the way.

There seems to be nothing in place that will cause this to change unless management begins to demand real-time information. The AICPA, SEC, and educational institutions aren't likely to be the driving force to make this happen.

Chapter 2
Imagine

Imagine a business where up-to-the-second financial and operational results could be provided to management, auditors, and even investors! Management would be instantly aware of opportunities to improve and resolve productivity, customer satisfaction, collection, financial, and any operational issue that is happening or is about to happen. In fact, any financial or operational parameter outside of normal definitions can be instantly messaged to the appropriate level(s) of management (even out on the golf course if they don't turn off their phone) to allow them to prevent the problem from ever happening.

Allowing the accounting department to provide only historical data (after the problems have already happened) should be an unacceptable compromise that is

not allowed by management. Management deserves real-time data and needs it to make informed decisions and to take corrective action when necessary.

Such information is priceless as it gives management an enormous competitive advantage. There are also some side benefits depending on the company's industry, such as:
- Inventory levels usually decrease, which increases the amount of cash in the bank
- Inventory shortages can be all but eliminated
- Time should no longer be wasted on jobs
- Invoices are typically sent to customers much sooner
- Cash flow is usually dramatically improved

As an investor, can you imagine having real-time access to companies' financial data rather than having to wait until March 15th to get the prior year's financial results? Investors should demand it and the SEC should require it.

There is no unsolvable technical hurdle that needs to be overcome to achieve this dream.

Management merely needs to demand it and provide the vision and resources that it takes to implement it. Isn't this what a Chief Information Officer should really be doing?

Chapter 3
It's All About Objections

Picture a scenario where the president of an organization calls the corporate controller into his office and tells him/her that, starting in thirty days, management must be provided with financial and operational data within 12 hours of the end of each day (which is still pretty useless). There's a white board and the controller is allowed to write down all the reasons why the request is implausible. Any Controller will be able to come up with dozens, if not hundreds or thousands, of reasons (objections) as to why it's impossible to comply with the request.

What were you thinking? Have you changed your prescriptions? Is my resume up to date?

However, when you start analyzing the objections one by one, you begin to realize that, with the adequate support of management, all of the objections can be overcome using technology and procedures that are readily available today.

Please try to be kind to the guy or gal who is coming up with all the objections; you might as well be telling him/her aliens (the outer space variety) just bought the company. It's almost certainly beyond their comprehension how you could possibly want real-time data (that's 12 hours old). Do you expect him/her to stop sleeping? How many hundreds of people are you planning on hiring?

You'll find this level of enthusiasm for a Know It **now**® Management project exists throughout your whole organization. When the highest levels of executive management force it to happen, the efficiencies gained are overwhelming. Management becomes so empowered with information it's scary. But for those resistant to change (as everybody is), it is a very bumpy road.

Chapter 4
Ownership of Data

Remember when all of the information in your organization was sent to the accounting department, or maybe to the IT department, for them to keypunch cards that would then be fed as batches into the computer? Of course, prior to that, all transactions had to be sent to the accounting department to be hand-entered into journals and then transferred to ledgers using Wilson Jones columnar paper. I'm pretty old but I don't know how it was done before that.

Is most of the data in your organization still entered by the accounting or IT department? Is Richard Nixon still President?

A large number of the office workers in your organization undoubtedly have a personal computer at their disposal, which is likely attached to the corporate network. Its primary use is probably for email (assuming that the Internet browser has been disabled or limited in some manner). It probably has a spreadsheet program and a word processor on it, which are rarely, if ever, used in a collaborative environment. It probably also has some corporate system(s) on it. Perhaps some transactions are entered to be posted and interfaced to other systems tonight or at the end of the month. A really sophisticated user with access to Business Intelligence tools may be able to analyze old data.

The first premise of Know It **now**® Management that management must implement, without hesitation, is that the person in the organization closest to the generation of a transaction must be the person who tells the system that the transaction took place. That person "owns" that data and is responsible, in some manner, for making sure the transaction is entered timely and accurately.

Here come the objections:
- What if that person never comes into the office?
- That person has "real" work to be doing!
- What if that person doesn't speak English?
- What if that person has never touched a computer before?
- What if that person has a disability?
- What if there is no computer close to that person?
- What if that person refuses to touch a computer?
- What if that person is incapable of learning how to use a computer?
- What if that transaction happens in the middle of the night or on a weekend?
- Do I need to keep going?

Ownership of data by the person responsible for its accuracy is a central premise to Know It *now*® Management. It's amazing how much more accurate and timely your data will become as you implement this premise.

You'll also find that it is far more efficient to enter transactions as they happen, rather than having someone who knows nothing about the transaction try to enter it several days or weeks later. Although most people will agree with this theory, it clearly doesn't pertain to your organization. Your operational people would never be capable of handling this. Only the people in the accounting department could possibly conceive of the proper way to enter a transaction.

Do you really expect the laborer out on the shipping dock to tell the system that an order has shipped? That's not in their job description! They have no computer training! They don't have time! (Sorry, I couldn't resist throwing in a few objections along with all the sarcasm.)

How in the world do you expect a construction manager sitting in a trailer out on a job site to tell the system that he just ordered some parts or tools, completely bypassing the purchasing department because that's what he had to do to get the job done? That doesn't happen in your organization? Really?

The way real-time data entry works is different in each organization and even within each department of an organization. It's different for a service organization than for a manufacturer. It's different for a charitable organization than an educational institution. It's different for a remote salesperson that never comes into the office than for an organization with one facility where everybody gathers every workday. However, it is possible in every department of every organization if management will just demand it and provide the tools and training necessary to make it happen.

Chapter 5
What Tools Are Necessary?

Most of the people and machines in your organization generate at least one type of transaction. They either purchase something, sell something, collect something, ship something, bill for something, pay for something, receive something, manufacture something, generate prospects, answer the phone (yes, this is a CRM transaction), move inventory, get paid by the hour for doing something, provide support, train, fix something, and the list goes on and on.

Each of these people and machines need a very easy way to tell the system what they've done and the resources they have consumed and/or generated as a result of that task. They need a system that is capable of accepting that information on a real-time basis and they need a data entry device that makes it EASY and effortless to convey that information to the system. Sometimes that data entry device is a computer keyboard and mouse, sometimes it is a smart phone or PDA, sometimes it is a laptop, sometimes it is a tablet PC, sometimes it is a barcode reader or RFID device, sometimes it is a badge reader or card swiper, sometimes it is an interface from a robot, sometimes it is a button on the wall, and sometimes it is some other unimaginable or custom built device that makes it EASY to tell the system that a transaction has taken place. This is kind of broad, but providing the "right" data entry device on a person-by-person basis within an organization is one of the most challenging aspects of implementing Know It **now**® Management. The implementers

need to physically observe and discuss with everyone in the organization what they really do (as opposed to what their job description says) to determine the best device(s) for them to use to achieve the goal of real-time entry of transactions as they take place.

It's also important (and possible) that a user shouldn't have to know anything about accounting when entering transactions (unless they're entering journal entries).

Chapter 6
Confidentiality of Information

Another concept that management should accept as part of Know It **now**® Management is that providing information to employees empowers them to do their job better, thereby increasing the profitability of the company. Many organizations implement a need-to-know policy and interpret it to mean that if there is a way to do your job without knowing something, you don't need to know it.

However, there is no reason to collect all of this extremely useful information if you're not going to allow the employees of the organization to use it to make the company more efficient and profitable. Does it really hurt for the salesperson about to meet with a customer to know that there is a collection issue with that client? Or that they have returned the material on the last three shipments? Or that their last order, which was telephoned in, was placed by a new contact there? Shouldn't the salesperson have access to sales trend information by item for that customer? What would you not want the salesperson to know about that customer?

Management certainly needs to comply with laws and regulations such as HIPAA. However, empowering your employees with information should definitely be a goal associated with Know It **now**® Management. This doesn't just apply to salespeople! Maybe the person in collections should know that a salesperson is trying to close a huge deal with that customer!

Chapter 7
Protection of Data

Securing and protecting data may seem contrary to the previous chapter, but it is actually more important than ever in a Know It **now**® Management organization. Your employees will become totally dependent on the availability of the information and will probably be unable to perform their job without it. Just like a gate agent in an airport would not be able to board the airplane without the assistance of the computer, your employees will need the information in your system to perform their job efficiently.

Redundant servers in multiple physical locations, failover networks, disaster recovery policies, and standardization of data entry devices (when practical) should all be considered to help eliminate the possibility of down time.

Security becomes much more critical. Even though you will probably allow employees to have access to more data than ever before (see chapter 6), you will still need to protect large amounts of data that they have no need to see. Multiple levels of security are usually available and should be implemented. For example, you should implement security at the network level, database level, and at the application level. Sometimes, within the database level, you may need to get down to the column level when assigning security rights.

Hardware security at the computer level is also important. You don't normally want users to be able to burn DVDs or write to flash drives in a corporate environment. Large email attachments should also raise flags (if they are even allowed).

Chapter 8
Evaluating Your Existing ERP System

The first question to ask is whether your existing ERP system will support Know It **now**® Management. Is it truly a real-time system where the saving of an approved transaction immediately updates everywhere that needs to be updated? Are there posting and/or closing processes that have to happen before the database is fully updated? Does data have to be purged from the online database, thus preventing trend analysis? Are you constrained by the number of users? Are interfaces with other internal systems and/or third-party systems, such as CRM software, real-time? Does your ERP system support the latest version of the major relational databases, which is essential to meet many requirements including availability of business intelligence tools, performance, reliability, and security? Are the screens going to be easy enough for everyone in your organization to use?

Most people reading this will need to implement a new ERP system in conjunction with implementing Know It **now**® Management. If you're lucky enough to not need a new system, you will almost certainly need to re-implement and customize your current system.

When evaluating new systems, it is impossible for you to determine if a system will meet your needs. That sounds pretty discouraging, doesn't it? The best you can hope to do during the selection process is rule out systems that obviously don't meet your needs.

Many ERP selection committees realize at some point that they don't feel comfortable picking a new package, so they off-load the responsibility to a consultant. This works especially well when the consultant is not intimately familiar with the daily detailed processes of the organization (sarcasm). It also works well to hire a

consultant who doesn't implement systems constantly for a living (more sarcasm). It's extremely beneficial to hire a consultant who only knows one or two packages intimately. This makes it much easier for them to only recommend one of those packages that they know. (Yes, you can use a hammer to drive a screw into a board and this is the end of the sarcasm, for now).

If you're going to hire a consultant, make sure they know your business processes intimately. This will probably be a costly endeavor, as the consultant will charge for this service of learning your business processes. Also make sure the consultant is going to spend a significant amount of time with each package chosen as a finalist. The consultant should run at least one of each kind of transaction through the system before they represent to you that it will meet your needs.

So how do you pick a new system? Once you narrow it down to one or two systems that you think support Know It *now*® Management, make the consultant run some of your transactions through the system in front of you. Make sure you understand how the system is truly a real-time system and make sure that you can envision EVERYONE in your organization entering transactions into it.

You'll also want to understand how the system will be customized to meet your needs because no system will meet 100% of your requirements without some enhancements. Make sure you understand how you will be able to install new versions after these enhancements are made. In today's environment, you must stay up on the current version to ensure security and compatibility with new operating systems and other relevant systems. Most vendors will require you to pay them to remake the enhancements as each new version comes out. However, some will build the enhancements into the core package so implementing new versions is easy. Finding a one-vendor solution is much easier than dealing with third-party add-ons.

Oh, and by the way, software vendors love getting long checklists of poorly worded features in which they are supposed to indicate whether they have that feature. (I couldn't resist one last piece of sarcasm). These lists are actually painful to fill out because you have to try to guess what the creator of the list was *really* trying to ask. I would suggest you not use this approach in most cases.

Chapter 9
Evaluating Your Business Processes

Create a simple flow chart for each type of transaction that applies to your organization. This can't just be for accounting transactions. There are probably more transactions that don't hit the general ledger than ones that do. Start to visualize who performs each of the processes in each of the flow charts. Also start to visualize who should be performing each process in a Know It *now*® Management environment. Commonly, it is useful to create a before and after flow chart for each transaction type.

Start to document what kind of data collection devices each person in the organization should have access to.

It is critical that you **talk to and observe** users to document the existing processes. Management only thinks they know how it is really done! You will probably find that there are all kinds of exceptions as to how existing transactions are processed. If the sales order was taken by Bill for Special Customer after 4:00 pm on every day except Friday he hand walks it down to the shipping department (or delivers the goods himself if it's a critical order on Friday evening). Make sure you document these exceptions. The new processes will probably need to be able to accommodate some, if not most, of them. Of course in a Know It **now**® Management environment, the need for many of these types of exceptions (expediting) should go away.

Also start to document alerts that currently exist or would be useful to have. For example, how is the credit department notified if a sales order needs credit approval? How is a salesperson notified if there is a problem with an order? How is a purchasing agent notified if there is a quality problem with a receipt of raw materials? How is a construction manager notified if one of the items on his purchase order is delayed?

Talk to all executives and members of management. Find out what they currently have to find out manually. Also determine what additional alerts or information could be provided to them to allow them to make the company more efficient and/or profitable. You'll have to poke and prod them; this is way beyond their comprehension at the beginning of the project. It will be about halfway through the implementation before they start making requests faster than you can write them down (or type them in).
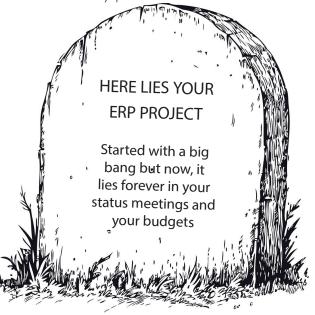
Chapter 10
Evolution or Big Bang Theory

Big Bang Theory implementations are usually explosive to an organization (sorry for the pun). Unless you are a very small organization, you want the implementation of your new system to happen gradually. It should be an evolution, not a revolution. Users are resistant to change. Allowing them to become familiar with new processes before they are implemented is a great idea. For some users who don't currently have a computer, you may want to stick a computer in their office for a while just so they can get used to the smell and invasiveness of this new device. Seriously!

When the time is right, have the users enter transactions into a test database so they can become familiar with the new system and identify potential issues before you go live. (We'll talk more about implementation later.) Don't go live on any portion of a new system unless you are **positive** that it is not going to disrupt your organization!

Users won't start processing test transactions voluntarily. They don't have time. They don't believe it will ever happen. And for the most part, they don't care because they don't perceive the benefit. Make sure the trainers have run transactions through the system exactly as the user will (preferable on the same device the user will use) to make sure the user's

HERE LIES YOUR
ERP PROJECT

Started with a big bang but now, it lies forever in your status meetings and your budgets

experience will be positive (the system will work and the prerequisite data has been set up). When you first start out, the user should even be given the transactions to be entered. Later, when you're "really" testing the system, the user should be encouraged to "break it".

It is important to establish some positive momentum for the project and to keep the momentum moving forward. This is harder than it sounds. Resources need to be dedicated to the project regardless if it's the slow season or the busy season.

Chapter 11
Where to Start

So let's assume you have selected a new ERP package and you have it installed with both a test database and a live database, you've acquired one or more data input devices for each employee, you have redundancy established so your system won't go down, you've implemented security (or at least started to), and now it's time to start using the system. Whew!

Where do you start? It's different in every industry and every organization. However, you're always going to start by training the trainers. In the test database, have the trainers begin to run transactions through the system from beginning to end. Of course they will have to set up some master files before that can happen. Master files used for testing should initially be set up by hand. This allows the trainers to understand the ramifications of all of the options that exist in the master files and it will allow them to better evaluate the success of data conversion efforts (see chapter 12). Keep in mind you don't have to set up all the customers and inventory items. You only have to set up a representative subset at this point; just enough to let you see how transactions are going to run through the system.

Chapter 12
How Not To Select An ERP System

I've been providing consulting regarding ERP systems since the 1980s (before they were called ERP systems). I've helped select, implement, develop, customize and provide system integration with many different ERP systems. Here are some things to avoid:

- **Refusing to meet with the ERP vendor** – Reputable ERP vendors are interviewing the prospective client every bit as much as the prospective client is interviewing the ERP vendor. A reputable ERP vendor doesn't want to sell a system (or even spend time trying to sell a system) if they don't believe their product is going to be a good fit.
- **Demand a web demo** - Occasionally, a prospective client (or worse, their consultant) will demand to only see a web demo and refuse to meet with the vendor. This gives the vendor the impression that the client is either not very serious about getting a new system or that this is the perfect client to avoid because they think they know more than they possibly could. The other problem with performing a web demo prior to learning anything about the prospective client is the vendor doesn't know how to configure the software. Should foreign currency functionality be turned on or off? Do they need multicompany and multibranch functionality? Do they need inventory? Job costing? Carillon ERP, for example, has hundreds of configuration combinations. Trying to guess how they should be set for a web demo with no prior meeting with the prospective client is not practical. Additional problems with web demos:
  — No body language: When explaining complicated concepts (how an ERP system works), it is important to pick up on visual clues that indicate when something is either not important or requires additional explanation.
  — Speakerphones: Speakerphones come in many different qualities. They are commonly problematic when trying to give web demos.

- ***Delegate the responsibility of selecting the right ERP system to a consultant***
  There are several major fallacies involved in delegating this responsibility to a consultant:
  — Consultants are not familiar with all the systems out there! Very few consultants (individual people assigned to your project) work with more than two or three packages. When you only know about hammers, wrenches, and screwdrivers, you're unlikely to recommend a chisel. You shouldn't be surprised when a consultant selects some flavor of Microsoft® Dynamics for you when that's 80 percent or more of their practice!
  — Consultants don't know much of anything about your business requirements. Unless the consultant has done a very extensive review of your business processes (not just filled in a checklist used by the consultant's firm), they don't know enough about your business to be recommending anything.
  — Consultants have an incentive for you to pick a package they are familiar with. They are more likely to get the work associated with implementing the new package if they've worked with it before. Also, if you pick a system they have never worked with before, they are going to have to spend a lot of non-chargeable time learning the new system before they can help you implement it.
- ***Believe there is one "best" package for you***. The truth is that you can probably make any of the major packages work for your business. ERP implementation failures are rarely related to picking the wrong package. Some packages will "fit" your organization better and help automate more of your processes "out-of-the-box". Some will be easier to use (sometimes because they have less functionality). Some will support Know It ***now***® concepts and some won't.
- ***The ERP demonstration will make it clear what package to license.*** With very rare exception, the person demonstrating the ERP system to you is going to show you the package's strong points and certainly never mention any weaknesses. ERP demonstrations are the most useful when the prospective client provides sample transactions and makes the vendor demonstrate how the system will work with real data provided by the prospective client.

- ***A demo only needs to last a couple of hours.*** There is no way you can see enough about an ERP package (other than maybe Peachtree and QuickBooks) in just a couple of hours to know if the package is going to meet your needs. Recently I had a very large prospective client try to schedule (without any previous meetings) a web demo for 3:30 pm on a Friday afternoon. I lost the deal when I refused to participate.
- ***Create a super long checklist of requirements (RFP) and expect the vendor to indicate (yes or no) whether they can satisfy each requirement.*** Most ERP vendors trash these requests. They are a vestige of the '80s. They are ALWAYS so poorly worded that a simple yes or no is impossible (unless you always want to say 'yes' and explain later).

Chapter 13
You Need Professional Help

It's not hard to find horror stories of ERP system implementations gone wrong. The most common reasons are:
- Inadequate training of the trainers by professionals who have done this many times before.
- Constraining the professionals who are assisting with the implementation. They need to know your systems and processes intimately.
- Inadequate testing of the system prior to going live.
- Management constraining resources necessary to do the implementation correctly.
- Inadequate support from the C-Level executives.
- An unwillingness to allow the system to be customized. Customizations used to be evil but they no longer have to be. They can dramatically improve the acceptance of the new system.

Chapter 14
Customizations

Customizations do not have to be the evil incantations that they used to be. So let's discuss why and how they get to be evil and when they are good and necessary:
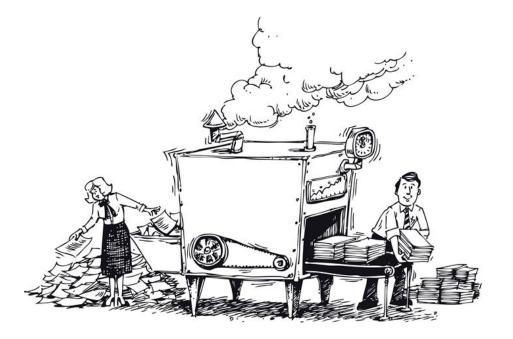
- If a customization will prevent you from upgrading to the next version of your ERP system, it is evil. You have to be able to apply regular upgrades or your system will become obsolete before it is even implemented.
- If a customization will include screens that have a different user interface than the rest of the system, it is evil. However if the customization allows outside salespeople to enter sales orders on their phone, from a user interface perspective it is only important that the customization look the same as every other application that will be run on the phone. You shouldn't expect the user interface on the phone to look like the user interface on a computer. You wouldn't want it to.
- If a customization will not interface with the rest of the system on a real-time basis, it is probably evil. There is one exception. If you need to have access to a system (let's say on a phone) even when no Internet signal is available, it's okay to use an occasionally connected but always available system. This requires synchronization technologies, which are no longer bleeding edge technologies. The day will likely come when the Internet is available everywhere but we're not yet even close. In the meantime, if you're a salesperson at a customer's location in a remote area (with no Internet access), you should still have access to everything you would ever want to know about that customer.
- Customizations are good when they allow users to enter information more effectively and reliably. These should be much more common than what they are.
- Customizations are necessary when the system being implemented doesn't include all the alerts and reporting capability that will allow management to do their jobs better. In this regard, no system will ever be perfect without customization.

Several common mistakes happen with customizations:
- Make sure you know how they are going to be updated as your ERP system is updated.
- Don't use an inferior development platform. Ideally, the programming language and database should be the same as the ERP system.
- Only use developers who are intimately familiar with the data structures in the ERP system. Remember, the two systems need to interface on a real-time basis.

Conclusion

Pettit Consulting, P.C. can help if you'll let us. Call Larry R. Pettit, CPA, CITP, CGMA at 800-739-9933 extension 101 to discuss how your organization can implement Know It **now**® Management.

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