



PROVIDING  
CREATIVE SOLUTIONS  
SINCE 1979

## **TOP 10 MISTAKES IN SELECTING SOFTWARE**

(Source: WSCPA Management Consulting Services Committee)

- 1. Failure to consult with an accounting professional.**
  - Keep goal (functional system) in mind ... if you don't know, ask.
  - Professionals implement systems for a living.
  - They can apply systematic methodologies to the project.
  - They can establish realistic budgets and schedules.
  - They can act as facilitators.
  - They can propose useful ideas from other companies, other industries.
- 2. Underestimated total cost – software, training, support, etc.**
  - California Society estimated 1-2% of company annual sales.
  - Software cost is just part of the total cost:  
Price Waterhouse study:
    - Hardware 20%
    - Software 10%
    - Installation & Training 15%
    - Internal Costs 45%
    - Maintenance 5%
    - Supplies 5%
  - Documentation costs – document how the system works in YOUR company.  
Software manuals document only how the software works.
- 3. Underestimated implementation time**
  - Spend time improving procedures before the implementation starts.
  - History volumes vs. keypunch time required.
  - Masterfiles (customer, vendor) – 30 per hour.
  - Transaction detail (invoices, purchase orders) – 50 per hour.
  - Training time for data entry people.
  - Supervisory time.
  - Time available to staff for implementation.
  - Half-day sessions, two or three sessions per week, can take two months.
- 4. No backup – programs, data, people**
  - The job's not over until the backup's done.
  - Tape, disk.
  - People can leave, too.

5. **Inadequate training**
  - Staff left to figure it out on their own.
  - Transaction training, but no end-of-period training.
  - “The General Ledger isn’t posting”
6. **No help with set-up**
  - This is the same impulse that keeps people from asking directions.
  - Setup is typically a series of questions in the software that control how the system operates.
  - No use of outside consultant/installer for setup tasks.
  - Wrong inventory valuation method is an example.
  - Hard to change after processing has begun.
7. **Unprepared staff – lack of skills, willingness, time**
  - People operating over their heads.
  - Accounting skills are often lacking, no computer skills.
  - Fear of new systems, new procedures.
  - Make sure they have input in the selection process.
  - Concern for their job, “What if I can’t learn?”
  - Involve the staff from the start.
  - Fully tasked with day-to-day operations, no time to implement.
  - Involve other departments in the company from the start.
8. **Wrong software.**
  - Spend time before your purchase to evaluate your business and software requirements.
  - For example, distribution software in a manufacturing environment.
  - Selling services through the inventory module.
  - Time of year differences – paving company.
  - Problems can surface during installation.
  - Much high-level software is non-returnable once you have installed it.
9. **No project leader**
  - These projects need top management involvement from the start.
  - Designated individual responsible for coordinating resources and enforcing the plan.
  - No responsibility without authority (to spend).
10. **No plan**
  - Task One: choose a “cutover date”
  - Specific sequence of tasks with assigned responsibilities.
  - Build masterfiles first, then enter history, then begin processing transactions.
  - For example, enter AP vendors first, then open invoices, then start processing checks.
  - Plan hardware as well as software.