
Service Management Companies: Will you grow with or outgrow QuickBooks?

Executive Summary:

Service companies that are expanding need to look at solutions to improve operations and accounting functions. Many of these companies start out with QuickBooks and wonder if they can find a solution to improve operations. At some point they wonder if they will outgrow QuickBooks. This paper shows that by separating Operations and Accounting, they can continue to use QuickBooks much longer throughout their growth cycle. This paper explains solutions and options available and when service companies need to consider solutions beyond QuickBooks.

Service Company Phase 1: \$0 to \$200K Revenue

In this phase many service companies utilize QuickBooks Pro or Premier to manage accounting. For operations they utilize Excel, Outlook, and white boards for service management operations. This solution works fine until the service company begins to grow or find that it's harder to manage the desperate information residing in multiple excel files and lack of collaboration of information. Smart companies that plan to grow will skip this stage and find a complete solution for both accounting and operations.

At this point companies start to look at Service management solutions that can connect with QuickBooks (QB) so they can keep the information in their QB files.

Phase 2: \$200K to \$10M Revenue

In this phase, companies require a service solution beyond just QB, Excel, and Outlook. They need a full service management solution that handles customer information, sales, work orders, schedule dispatching, invoicing, and inventory management. One good solution is to find a service management solution that integrates with QB. This has the advantage of retaining QB information as well as having a slew of bookkeepers, advisors, and accountants able to work with QB for accounting and tax purposes.

One example solution for operations is SME: Service Management Enterprise or SMP: Service Management Professional from High 5 Software. These solutions provide all the required operational aspects for a Service Management solution along with QuickBooks to handle the accounting. The advantages are numerous including the following:

- 1) A complete service management solution with SMP or SME with sales, customer information, work order management, dispatch scheduling, inventory management, help desk, web portal, and asset management.
- 2) Robust, complete, and automatic integration between SMP/SME and QuickBooks to eliminate double data entry.

- 3) Keep existing accounting functions within QB so no need to retrain for accounting functions, no need to change bookkeeping, accounting, or advisor staff.
- 4) Keep Operations software and Accounting software separate. This eliminates the need for users to access or change QuickBooks accounting information. You can provide access to QB to only people who need it. Operation staff utilizes SMP/SME and the sync program handles transferring information between programs.

Phase 3: \$10M to \$100M Revenue

In this phase, companies outgrow QuickBooks Pro or Premier. Luckily, QuickBooks now has an Enterprise version to grow with the company. Once again, companies can upgrade just one software package and move from QuickBooks Pro or Premier to QuickBooks Enterprise. For another perspective on the QB Enterprise space, see <http://blogs.zdnet.com/BTL/?p=4672>

On the service management operations side, companies can upgrade to SME, the enterprise service management version. Both the upgrade to QB Enterprise and upgrade from SMP to SME is simple and requires little to no training of staff.

Phase 4: \$100M to \$500M Revenue

In this phase, the company outgrows QuickBooks. According to QuickBooks representatives, QB Enterprise is good for companies up to \$100M. At this point, you will have to change your accounting solution.

Some possible approaches:

(see also http://en.wikipedia.org/wiki/Comparison_of_accounting_software)

- 1) Microsoft Dynamics
 - a. GP, Great Plains
 - b. NAV, Navision
- 2) Sage
 - a. AccPac
 - b. MAS 90/200
- 3) SAP
- 4) NetSuite: software-as-a-service model
- 5) Intacct : software-as-a-service model
- 6) Others

For the service management operations side, you have a couple choices. If you go with one of the other accounting solutions, you can continue to utilize your service management solution such as SME to minimize the pain of converting both accounting and operations. Integration with the new accounting software can either be done through manual data entry of invoice information into the accounting program or create software to link SME and the accounting solution. SME includes an open architecture allowing the data to be extracted for reports, excel files, or programmatic sync between SME and the accounting package. A custom program can be developed by High 5 Software or your own developer to link the programs. This is part of the SOA or Service Oriented Architecture concept allowing various programs to be linked together as services. Because SME is built on Microsoft SQL Server, many options for connecting to the data are available such as direct database connection or ODBC. Most of the leading accounting software has an API, Application Program Interface, to build an interface between SME and the accounting programs.

Note that there are many advantages of keeping your operations software separate from your accounting software. Many accounting programs with service management modules would not have the robustness of a vertical specific solution such as SME. Also, you can continue to have separation of users for the accounting software and the operations software.

In summary, you would not need to change your SME operations software while changing your accounting software and thus ease transition as your company grows. If your company is already at this size, then SME provides an excellent service management solution for the entire company or for a service department or division.

Phase 5: \$500M Revenue and up

At this point you will need to consider fully integrated ERP systems. Neither QuickBooks nor High 5 Software’s SME would meet the needs for the entire organization. However, SME can be used for a division or department within a large organization. SMP and SME are currently in use within departments of large organizations. Here are a few examples:

- Thomas & Betts, \$2.1B Revenue. Uses SMP/SME for the tools division. According to Tim Harper “SMP is a dream come true, it does everything we need and more.”
- Fidelity National Financial, \$5.5B Revenue. Uses SME for the facilities service organization.
- Western Carolina University. Use SME/SMP for facilities management of the main campus.

Summary Table of Company Size, Accounting and Operations software for Service Management companies.

<u>Company Size</u>	<u>Accounting</u>	<u>Service Management Operations</u>	<u>Notes</u>
\$0 to \$200K	QuickBooks Pro	Excel, Outlook	Growing companies would look beyond this phase quickly
\$200K to \$10M	QuickBooks Pro, Premier or Enterprise	High 5 Software SMP or SME	Full integration between QB and SMP/SME
\$10M to \$100M	QuickBooks Enterprise	SME: Service Management Enterprise	Full integration between QB Enterprise and SME
\$100M to \$500M	Mid-Market Accounting	SME with custom integration solution	High 5 or other companies can provide integration solutions
\$500M and up	ERP System	Utilize SME at the division or department level	SME provides an excellent solution for service departments or divisions