TEN PRACTICAL TIPS TO CHOOSE THE RIGHT CONSTRUCTION ACCOUNTING SOFTWARE

BY FRED ODE

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You might know that it's time to find new software for your company, but that doesn't mean you know what direction to head in. The lists of possible features can be long and frankly intimidating. Friends and colleagues might all have their own recommendations about different packages they've used or heard about. To keep this important task manageable, consider these ten practical tips.

1. DO THE RESEARCH

Purchasing an accounting system is a major investment, so it's imperative to do your homework. You'll of course want to search for vendors and gather information pertinent to your early decision-making. But you should also be sure to interview key personnel in your company who will directly use the system or require reports from it. Create a detailed list of system features that are critical and another of 'wish list' items. Additionally, don't settle for just Web content and marketing materials; talk directly with the vendors, see demos and ask questions. Don't shortchange yourself by ignoring this area. Research will be an ongoing process, but the whole process will be guided by the research you do at the beginning.

2. SEE A LIVE DEMONSTRATION OF EACH SYSTEM BEING CONSIDERED

Video demos are wonderful tools to use during the information-gathering stage, but nothing beats seeing the system work in person with a representative on hand to answer questions as they arise. Getting acquainted with the look and feel of a system will tell you about its ease of use and how technologically current it is. This may also be an opportunity to 'try out' the vendor's personnel.

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Working with a sales representative can give you insight into the company and its larger culture, to see whether you can envision them as a long-term partner with ongoing support you will be able to rely on.

3. ASK THE SALES REPRESENTATIVE TO SHOW YOU HOW

Many salespeople will give canned presentations, so don't be afraid to interrupt at any point during the demo to ask questions. Make them show you the processes involved in creating "that" report, reversing an invoice or posting payroll. Ask them, "and what if . . ." Here is where the company is on trial as much as the application: Do they ask questions about your business and needs? Are they frank about what the system can and cannot do, and do they look for creative solutions that might satisfy your needs? Also ask about your representative's background. Have they ever supported the product they sell by working in the support department?

4. CHECK USER REFERENCES

Vendors should willingly supply you with the names and phone numbers of several clients currently using their accounting system. When calling references, be prepared with a list of questions. It's advisable to call a minimum of three references. Keep in mind that not all companies have the same needs or operate the same way, so no application will fit everyone identically. Give especial attention to clients who perform similar types of work and who are a similar size to see how satisfied they've been with the fit or how the vendor has addressed in their case concerns you have about implementation. This is an opportunity to see how well the vendor stands by its product after the sale is complete, so ask about the kind of support they've received and how issues have been addressed as they've arisen.

5. CHECK PROFESSIONAL REFERENCES

Ask for a list of professionals with whom the vendor works, such as CPA firms with a strong construction focus. CPAs will provide a completely different and no less vital perspective on the application, applying their own particular set of criteria. A software application that works well with your office staff but poorly with outside professionals may cost you later, either when it comes to finding a CPA to work with the system or in terms of billable hours.

6. BE WARY OF COMPETITORS WHO USE TOO MUCH "TRASH TALK"

Friendly competition is to be expected between vendors, but persistent bashing and bad-mouthing should signal a red flag. You should expect professionalism, and software that cannot recommend itself on its own merits may rightly raise questions. Be wary of any vendor that uses unscrupulous methods to get your business and might be more concerned with securing your business than with pairing you to the right application for your business.

7. GET IT IN WRITING

If you're asking for a unique feature or service, make certain to get it in writing. A verbal mention or promise of your special request will mean nothing after the sale is final.

8. USE REVIEWS AND PURCHASED EVALUATION GUIDES WITH CAUTION

There are several trade-publication reviews and guides available for purchase that evaluate and critique accounting software. Although these can be helpful as a starting point for research, the information found in many of them are supplied by the vendors themselves with little-to-no verification of accuracy. Don't base your buying decision solely on a single review, let alone an advertorial.

9. CHECK OUT THEIR SUPPORT SERVICES

The perfect software won't do a thing for you if your staff isn't properly trained and supported. Analyze the vendor's support department. Do they provide toll-free, unlimited support? How many representatives are on staff, and what are their available hours? What is their average response time when you have a question? What training options are available? Is training included in the price? What about ongoing training and training options for your new personnel down the road? All of these are fair questions that you should ask. Request as well reports on their support statistics.

10. DON'T JUST GO WITH THE "BIG NAME BRAND"

Just because several contractors, including your buddy at Wally's Contracting down the street, use the well-known Widgets Accounting for Windows doesn't necessarily mean that it will work well for your business. Often, construction software will excel with some construction sectors more than others or with companies of a certain size. Buying a system on name alone doesn't guarantee success. Your company is unique. Find what is right for you, be it the big player or a small startup.

When looking for construction accounting software, it can be tempting either to rush into the first apparent option or freeze into paralysis, deferring until "later" the decision you need to make sooner. With just a handful of simple principles, the task can become much less daunting. Beginning with preliminary research to enumerate your options, be sure to investigate vendors and their products thoroughly through live demonstrations, multiple references and direct questions that keep your long-term success in view. The vendors you should want to work with will have these same goals in mind and will work to meet you on your page.

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Foundation Software is the developer of FOUNDATION® – America's #1 Construction Accounting Software. Since 1985, we've been dedicated to giving contractors the back office tools they need to manage their job cost accounting, project management, and scheduling.
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