

# A PROGRAM THAT DOES FOR ACCOUNTING WHAT APPLE DID FOR COMPUTING.

Remember when the Macintosh first came out, how people suddenly discovered the joys of computers?

Before that, the mere mention of terms like "program" and "megabyte" was enough to make most people start yawning. The word "accountancy" usually produces a similar response. That's about to change.

Number crunching has had its day.

At last there's a program that enables you to understand all the financial workings of your company - even if your knowledge of accountancy doesn't extend much further than terms like "bank" and "balance".

Developed in New Zealand and used by that country's major accounting firms, this program is currently winning over accountants and businessmen and women in Australia.

The total package is called Sapphire. Just as your business has many different parts, or facets, this program is multi-faceted as well.

Hence the name.

It has the most powerful relational data-base of any accountancy program available on the Apple Macintosh or PC platform, without exception.

This means all your different files are fully connected, so the information in each is updated automatically and instantly.

You can analyse the information on a real-time basis. So, whether you receive five, or five thousand, invoices per day, Sapphire can account for all of them within seconds.

This allows you to know your company's current financial position in less than a minute.

Incredible, isn't it? That's a job that would take most companies, whether large or small, with their outdated accounting practices, a minimum of two or three days of labour intensive work.

Sapphire also gives you a simple analysis of

your statement of position, including: opening bank; clients' balances; vendors' balances; bank balance for account; deposits; withdrawals and closing bank balances. All within seconds.

If desired, you can analyse your performance and see, once again within seconds, which areas of your business are making money, or losing it.

Unlike other accountancy packages on the market, Sapphire was designed specifically for the Macintosh. So once you know the basics, you'll find Sapphire easy to use. You will have the option of working solely with the mouse, or in combination with the keyboard.

You will be able to call up information about many different areas of your business at once. And present what could be dauntingly complex columns of numbers as stunningly simple charts and diagrams - all in full colour.

You could, for instance, compare last year's sales to this year's (and your projections for next year) by comparing three graphs.

A simple process that will give you a far better feel for the state of your business.

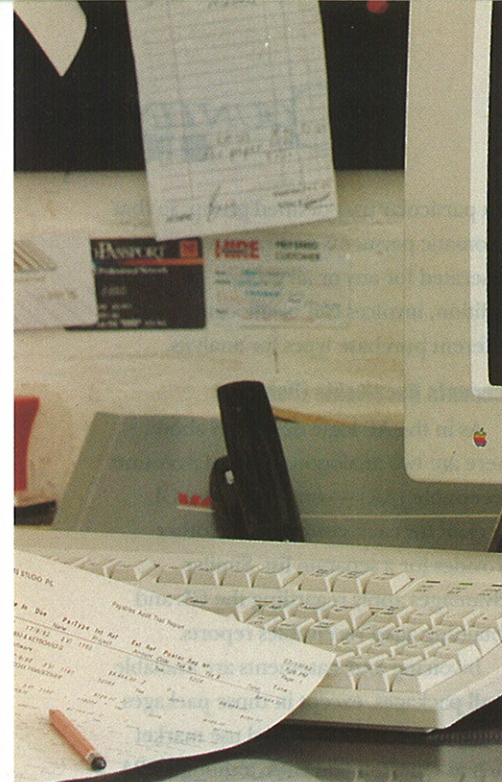
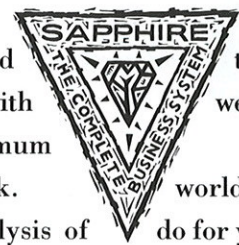
The package costs between \$575 and \$1500, depending on your needs.

You will consider it a small price to pay when you see the details of what this program can do for your business.

So why not arrange for a free personal demonstration at your local dealer, by calling 61 2 699 8099.

While you're dialling, here's something to take into consideration: that at one time there weren't any telephones, only morse code.

Well, what the humble telephone did for the world of telecommunications, Sapphire is about to do for your accounting.



## Job costing

In a job- or project-oriented business, such as advertising, film-making, architecture, construction or law, an accounting system which tracks costs by job, project or person is a godsend.

MYOB has a simple form of job costing, where your expenses and income to date on any particular project can be isolated. Quicken can be used to cost jobs, but it requires allocating GL codes to each job. So if you need a job cost component which is more comprehensive, including customer quotations, job billings against budget, job balances by month, hours and dollars, and employee activity, then you need to look at packages such as Jewel, DataCare, Great Plains and Sapphire.

## Inventory

The capabilities of packages providing inventory accounting need to be assessed on the level of complexity required in your particular business. As an example of a more comprehensive inventory module, Great Plains provides for bin locations,

multiple warehousing, the use of bar code readers, and enables turning your terminal into a cash register, through the Order Entry module.

Great Plains, Fiscal, Sapphire and Jewel's inventory components are quite

comprehensive, whereas MYOB and Light's are much simpler. For example, MYOB monitors re-order points and has the facility for inventory stocktake, inventory transfers and auto-build and bar code reading for sales, whereas Light does not.

The available methods of inventory valuation vary from package to package. DataCare, Fiscal and MYOB inventory is valued at either Average or Last Cost; Sapphire is Average Cost, First In First Out (FIFO) or Last In First Out (LIFO); Jewel is Average Cost only; and Great Plains is FIFO

or LIFO (both either periodic or perpetual) or Average Cost.

## Payroll

Many systems here do not include a payroll component, the argument being that payroll is a specialised area which is industry dependent, and larger companies may prefer to have an outside company doing their payroll. Those packages not catering for payroll suggest small companies and individual users can use recurring cheques through AP as a solution. Fiscal and DataCare, however, do have payroll modules which are well worth considering.

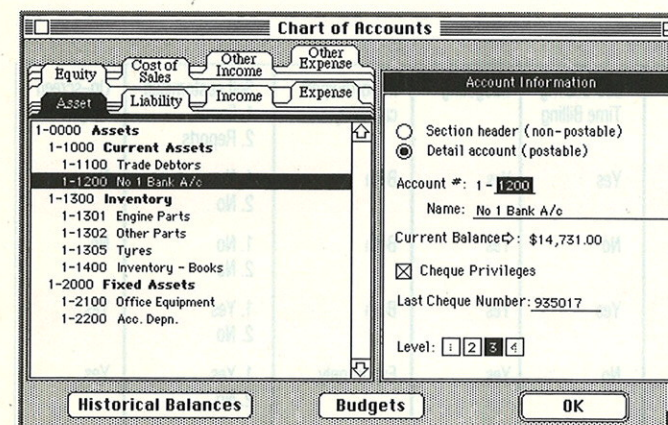
## Installation and after-sales service

All the Mac accounting packages reviewed here were easily installed, and generally consistent between tasks and screens. On a personal note however, not all packages utilise the 'Command-W' keystroke for closing screens which I found slightly annoying, because it's a much-used keyboard operation.

Distributors of the larger systems, such as Sapphire and Great Plains, recommend assistance in setting up. Given telephone support, a basic understanding of accounting would in general be sufficient for building a system in the rest of the packages and, if need be, consultants can generally be hired at an hourly rate. Training courses are available for MYOB and Jewel.

## Prices and hardware

For those packages which sell for an all-up price, the cost ranges from \$129 for Quicken, up to \$975 for Custom Accounting. DataCare, Great Plains, Jewel and Sapphire all sell for a price per module, and the cost depends on how extensive your system needs are. The price for a modular system incorporating the General Ledger, Accounts Payable, and Accounts Receivable starts at \$900 for Sapphire, increasing to \$3680 for Great Plains. All packages will run on 1 Mbyte of RAM, except Sapphire which requires a minimum 2.5 Mbytes of RAM. The smaller packages will operate on an 800 Kbyte floppy, but even those requiring hard disk space only ask for between 2-12 Mbytes. That's not a lot to ask when you can excuse yourself from cleaning the bathroom to plan how to make your next million dollars! **MM**



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# MacUser

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Industrial-strength accounting systems  
are available for the Mac.

## accounts BELIEVABLE

IN THE DISTANT PAST THERE WEREN'T MANY CHOICES IF YOU WANTED TO DO YOUR ACCOUNTING ON THE MACINTOSH. ITS GRAPHICAL INTERFACE AND EASE OF USE BELIED THE TRADITIONAL CHARACTER-BASED ACCOUNTING SYSTEMS THAT PREACHED CONSERVATISM AND INFLEXIBILITY. ACCOUNTING RELIES ON A PROCEDURAL ROUTE OF CHECKS AND COUNTER-CHECKS — THE AUDIT REIGNS SUPREME, WHERE HARD COPY IS PREFERRED AND, THROUGH TRADITION, ELECTRONIC DATA IS TO BE MISTRUSTED.

OF COURSE, THINGS ARE CHANGING. THE RISING POPULARITY OF PERSONAL COMPUTERS IN THE ROLE OF COMPANY ACCOUNTING — REPLACING THE MANUAL SYSTEMS AND MINI AND MAINFRAME COMPUTER SYSTEMS OF

OLD — IS ENCOURAGING THE ACCOUNTING PROFESSION TO ADOPT NEW, MORE FLEXIBLE WAYS OF ACCOUNTING FOR BUSINESS FINANCIAL TRANSACTIONS.

DESPITE THE ADVANCES OF COMPUTERISED ACCOUNTING ON THE MACINTOSH IN THE LAST FIVE YEARS, THE MACINTOSH IS STILL THE PROVERBIAL NEW KID ON THE BLOCK. ITS ACCEPTANCE INTO THE CORPORATE WORLD (AS OPPOSED TO THE SMALL BUSINESS WORLD) HAS PROMPTED NEW AND ESTABLISHED ACCOUNTING SOFTWARE DEVELOPERS TO USE THE MAC'S SUPERIOR USER INTERFACE. MAINFRAME LINKS USING STRUCTURED QUERY LANGUAGE AND DATA ACCESS LANGUAGE ARE LESS OF A NOVELTY IN TODAY'S CORPORATE GIANTS, AND SMALL BUSINESSES ARE NOW SEEING THE EASE WITH WHICH THEY CAN 'GO ELECTRONIC.'

DAVID TURNEDGE



Truly modular systems, such as DataCare, come as a set of applications, each of which addresses a particular task of the accounting system: accounts receivable management, sales order entry, and so on. Such a suite of applications that work together, rather than a set of modules, is my personal choice for accounting systems. This approach usually takes up a lot less memory (both on disk and while it is running) and, if written correctly, it will still integrate with the data files of the other accounting applications in the set, making up the complete accounting system. DataCare is excellent in this regard.

The second type of modular accounting system also comes as separate modules, but the system integrates them into the main application during run time, creating a much larger and more complex system. Great Plains Accounting and Dynamics both operate this way — the modules are actually code libraries for the accounting system, so that when you run the system, these libraries are integrated into the system, creating a larger, more functional system.

Integrated systems, on the other hand, are buy-once, all-singing, all-dancing accounting programs that promise to do all things.

Buying modular systems can often work out to be more expensive than integrated systems, despite the 'no need to buy bits you don't require' sales pitch. Chances are that you will want to end up with a complete accounting system anyway, and therefore you won't benefit from being able to buy only one or two modules.

Accounting systems available in several different countries benefit from being modular by allowing them to sell country-specific modules (such as payroll and tax modules).

If you are in the market for an accounting system, as opposed to a general ledger package, an accounts receivable package, or a payroll package for example, then whether or not your system is modular isn't really an issue at the end of the day. Just make

## ELECTRONIC DATA INTERCHANGE

**E**lectronic Data Interchange, or EDI, is fast becoming the '90s way of doing business. No longer do you need to wait for your customer to mail you their latest purchase order for stock — simply log into your EDI provider's system, check your electronic mailbox, and download any orders that may be waiting for you. At the same time, you can send your purchase orders to your suppliers, and send credit claims and direct payments, removing the need for cheques. Sounds wonderful?

EDI is gaining widespread acceptance by the major businesses in Australia, especially by the large retail chain stores, whose business administration costs can be substantially reduced by utilising EDI, and companies who deal with sizable customers are often encouraged to go down the EDI road.

Like any other remote computer service, EDI systems require EDI communications software on your computer. This software not only enables you to call and receive information from your EDI provider, it also converts the information received into the format required by your accounting system. You need the right software to utilise EDI seamlessly, otherwise you will end up having to rekey the electronic orders once you have received them. This would remove any advantage EDI may have offered your business.

Unfortunately, EDI is poorly supported by Macintosh accounting systems. Sapphire, Jewel, DataCare and Great Plains do not offer any form of EDI support. Dynamics has an EDI module, but it is not yet available here.

Where does that leave you? Many EDI providers offer generic EDI packages for several platforms, including Macintosh. This software will communicate successfully with your EDI provider, receiving and sending information in your chosen EDI format. This information is often saved in standard ASCII (text) files — they can be imported into your accounting system; most accounting systems feature some type of text-import feature.

The reliance on generic EDI software should not be encouraged. Whatever your chosen accounting system is, if you wish to use EDI in the future (and you will), ensure that you make your need known. The more people request it, the sooner an integrated EDI system will appear for your accounting system, providing seamless electronic trading that will increase office efficiency and reduce the possibility of error during manual data entry.

sure that the system will offer everything you need, and that it can run on your available hardware.

## Accounting Features

The basic foundation for accounting is, of course, the general ledger. Each of the systems I have mentioned here has a stable general ledger, providing the basic double-entry journal entry posting to a set of coded general ledger accounts.

When you create a new company chart of accounts, DataCare, Dynamics and Great Plains Accounting give you optional charts of accounts, or you can create your own from scratch. Sapphire and Jewel each feature only one chart of accounts with which to build your general ledger structure. If you are

converting from an older system, chances are that you will want to replicate your old chart of accounts. Sapphire and Dynamics offer the most flexibility in defining your account numbers, and the largest field lengths for account titles. This is extremely important when converting from older systems, especially on mainframe or mini systems, where account numbers and names can be very long indeed.

The general ledger is the end of the road for all accounting data — the place where accounting transactions are ultimately stored, either in summary or detailed form, and are processed to calculate your profit and loss. Dynamics, Great Plains, Sapphire and DataCare all feature seamless data transfer to the general ledger, which means there is no need

In this article we will look at five of the leading accounting packages for Macintosh in Australia. These packages are not tailored for small business — they are 'real' accounting packages geared for multiuser access.

If you thought accounting for the Macintosh was a non-event, read on!

## Anatomy of Accounting Software

Accounting is essentially the organisation and presentation of financial information, with a few peripheral bits like taxation and financial analysis tacked on the side. The procedural aspect of this process — the recording of the information — makes accounting information relatively simple to record and maintain in computer form. Accounting software is generally a collection of lists of information, much the same as those created by database applications.

Many accounting systems are, in fact, created using database systems, such as 4D, FoxBase and Helix Express. The complexity comes about with the relationships between each piece of information, each

the-shelf, flat-file database system like FileMaker Pro. Some people keep simple accounting information in spreadsheets. However, the task of setting up your own accounting system could prove to be a false economy, as the cost of the time expended firstly in design and setup, and then in maintenance of your home-made system, may quickly eclipse the price of a commercially available package with similar or better functionality.

The advantages of using a shrink-wrapped accounting system, or a professionally-developed database management system, are threefold. Firstly, the system has been tested and, presumably, will have been made to suit real-world requirements. It will be largely bug-free (one hopes!), having proved itself in the field.

Secondly, there is a good chance that new staff recruits will have prior knowledge of the system; with a 'home-made' system, or one written specifically for your company, there is no chance that new employees will be familiar with the system.

And thirdly, most organisations do not have the time or resources to develop their own system — or pay for someone else to develop it — particularly since the development costs, in both time and money, of this type of system have a nasty way of becoming ongoing due to the unforeseen problems which may arise when the system is used with your live data. Support costs may also be higher as a result of such problems.

Sapphire and Jewel have both been developed using commercially available database management systems. The power that these systems have is largely a result of the particular database management system with which they have been developed — Sapphire (based on 4D) for example, provides users with fast, relational database functions, sophisticated search and query functions, a flexible reporting function, and true client/server multiuser access. The downside to using a system created in this way is that you usually have

to buy a copy of the database management system before you can use the accounting system — in some cases this can make the product more expensive than other systems, as the pricing structure is out of the control of the accounting software supplier.

The advantages of such systems are that they can be customised easily, are usually updated regularly as new features become available, and minor glitches will be fixed — provided, of course, that you have the support of the developer.

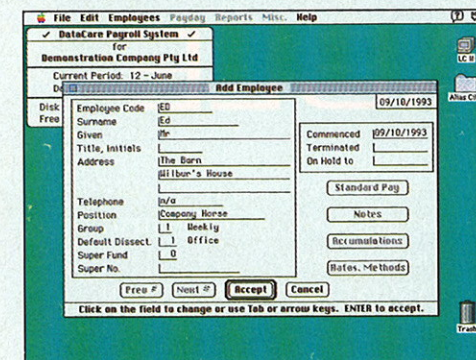
Great Plains Accounting and Dynamics have also been developed using a database management system, of sorts — Great Plains developed its own systems which it used to create various accounting modules. Dynamics is especially impressive in speed, flexibility and user interface.

Some database management systems do not offer very flexible user interface tools, leaving you with the generic database front end with which to run your accounting system. Jewel is the package that seems to suffer from this problem the most — it only ever displays one window at a time. This makes automatic look-ups and using several different modules at once impossible.

While the way in which an accounting system has been developed is not necessarily of crucial importance to the end-user, knowledge of how the system works underneath can be helpful. By using a commercial database management system, an accounting system's data files can be queried externally, providing an almost endless array of reporting options. Conversely, closed systems, such as DataCare, are not so easy to access using generic database reporting products.

## Modular or Integrated?

There are a number of different ways you can buy accounting software. Because an accounting system is often a collection of individual tasks and databases, accounting software is particularly suited to breaking up into smaller modules.



Payroll is easy with DataCare's Payroll application — and it fully integrates with your other DataCare accounting applications.

database file, and the procedures required to update each file in the system. Accounting systems often use many different database files, and the more the system does, the more complex the database file structure becomes.

Simple accounting tasks, such as maintaining a list of invoices, can easily be maintained using an off-