



QuickBooks® for Contractors Newsletter

Choosing QuickBooks and QuickBooks Add-On Software for Your Construction Business

Whether you currently use QuickBooks or are thinking of using QuickBooks for your construction accounting package you need to be aware that QuickBooks, while a great software program, is a “generic” accounting program and will not do everything that you may need it to do for your business by itself, unlike more expensive construction specific software.

If you are like most contractors, you probably do not think of yourself as a “computer hardware/software expert”. In fact, when faced with the thought of purchasing new computers and/or software to automate critical, time consuming tasks within your business, you end up feeling fearful, overwhelmed, and confused. Many contractors end up handing the project over to their office staff or to a third-party consultant, such as a local IT (Information Technology) company, a QuickBooks ProAdvisor/Consultant, or maybe even their accountant; because they feel these people are better equipped or informed about making these types of decisions.

These are understandable feelings and occurrences, however, it is also one of the main reasons that the selection of QuickBooks integrated applications results in so many small to mid-sized construction companies still creating estimates using pencil and paper or job costing using Excel spreadsheets, even though the contractor has or uses QuickBooks to pay their bills, process payroll, or track business expenses in a “general” way.

However, there is good news!

Believe it or not, you already have the experience you need to change your company’s success in not only using QuickBooks to its fullest potential, but also in choosing computer hardware and QuickBooks integrated applications to help you automate many time-consuming, error-prone tasks that are still being done manually by your employees.

The very same skills that you apply on a daily basis on the job site can be applied to the selection of computer hardware and software for your company. Just like any construction project, selecting computer hardware and additional software to handle the things that QuickBooks on its own cannot accomplish requires a detailed set of plans, a realistic budget, thorough project management, and the right people to make it all happen.

Approaching the implementation of new computer hardware, software, company policies, and even workflow procedures in this manner will result in more accurate estimates, better job costing, more efficient project paperwork, and a healthier bottom line for your business.

Why so many computer hardware and/or software projects fail.

We hear about numerous IT type projects failing in talking with both customers and potential customers and we've identified, what we feel to be the most common reasons for failure below; first, we'll list them and then discuss them a little more thoroughly.

1. Choosing the wrong people for the project.
2. Poor requirement planning.
3. Non-involvement of the owner.
4. Lack of a rigorous selection and testing process.
5. Weak training of employees.
6. Limited budgeting.
7. Inadequate time frame for implementation and training.
8. Fear of change.

1. Choosing the wrong people for the project:

It's extremely important that the people you choose to be involved in this type of project are qualified. Just because your CPA is *your* CPA doesn't mean that he's qualified to help you to set up QuickBooks for your construction business or evaluate QuickBooks integrated applications to help you generate estimates *unless* he or she actually uses QuickBooks on a daily basis or knows and understands the need for accurate estimate estimating and job costing which doesn't involve the use of Journal Entries. Most CPA's know how to use QuickBooks only to obtain the reports they need to do your taxes. The same thing applies when hiring a QuickBooks ProAdvisor or a computer company - if they do not understand the problems that your business faces - do not hire them. For additional information regarding tips to hiring a Bookkeeper, ProAdvisor, CPA read this article -

<http://www.sunburstsoftwaresolutions.com/view-document-details/hiring-a-bookkeeper-or-cpa.htm> OR for tips on Hiring Computer/IT Consultants read this article - <http://www.sunburstsoftwaresolutions.com/view-document-details/hiring-a-bookkeeper-or-cpa.htm>.

2. Poor requirement planning:

Vague statements such as "reduce duplicate data entry" simply do not cut it. Be as specific as possible about your requirements. If you currently create your estimates using paper and pencil and then input that estimate into QuickBooks and you want to reduce **that** duplicate data entry; say so.

3. Non-involvement of the owner:

This is where it gets tricky and we all know it. Your time is best spent on the jobsite and making sure that everything is running smoothly; but, if you don't play an active role in the selection of hardware and software the internal jobsite, called your business, may not run smoothly either.

4. Lack of a rigorous selection and testing process:

Allow enough time for a rigorous selection and testing process, don't buy the first thing that "looks" good and at the same time, make sure that the people who will be using the new software have an opportunity to actually test the software themselves. Don't rely on your CPA, ProAdvisor, or Consultant to do the testing for you; unless, of course, they are the ones who will be actually using the new software.

5. Weak training of employees:

This is a biggie! Make sure your current employees are adequately trained to use QuickBooks. Spend the money to send them to QuickBooks training classes or hire a QuickBooks consultant for some specialized training and a review of the current setup of your QuickBooks file.

6. Limited budgeting:

Whether it is budgeting of time or money, if you don't allow for a proper budget for assessment and training you will be setting the project up to fail.

7. Inadequate time frame for implementation and training:

The biggest obstacle that we see is when a prospective customer says "I have to have this up and running by 4 p.m. today" and it's already noon! Make sure that you allow enough time to not only implement new software but to ensure that your employees are trained.

8. Fear of change:

Another big hurdle. While many of your employees feel that certain tasks that they perform don't run as smoothly as they would like or allow them to complete them as fast as they would like; many will be fearful of change. Make sure that all of your employees are "on the same page" when it comes to implementing new technology.

Steps to take to ensure that your project succeeds:

We'll provide a list of steps, and discuss each one, to help you make sure that your project succeeds.

1. Assemble the right people for the project
2. Establish clear goals
3. Build a project schedule
4. Create a project budget
5. Define your needs
6. Draft a list of features/needs to be used for evaluating both QuickBooks and/or add-on software
7. Develop a list of products to evaluate
8. Test and evaluate the products selected for evaluation
9. Implement the products
10. **Train** your staff
11. **BE INVOLVED**

Ok, now it's time to get to work!

1. Assemble the right people for the project:

Start by identifying someone who will make sure that the project will get the proper funding and attention it needs, from EVERYONE in your company. In many cases this person will have to be you - the business owner.

Next, you'll need to identify a "project manager" who will oversee the details of the task; from start to finish.

If you have an in-house IT staff, they will obviously have an important part to play in the process. If you don't have an IT Staff, consider hiring a local computer consult with a good reputation.

Identify end-users within your company who will enthusiastically contribute requirements and ideas for improving work flow processes and help you identify the tasks which are currently taking up the most man hours to complete.

Do you need outside help, perhaps from your CPA or a Certified QuickBooks ProAdvisor? If so, and this is a word of caution, make sure that they know and understand your business and your needs, CPA's usually do not actively use QuickBooks for anything other than generating reports to file your tax returns and most ProAdvisors do not understand the challenges faced by commercial contractors.

For a list of Certified QuickBooks ProAdvisors, CPA's and bookkeepers that we have worked with and have proven their knowledge of commercial construction and QuickBooks visit our website - <http://www.sunburstsoftwaresolutions.com/proadvisors/cpa-s/> .

2. Establish clear goals:

Once you have your team in place, create an outline of the project goals. This list of goals will help everyone involved in the project to justify the time and expense that is required for this type of project and can be a source of help when difficult decisions arise. Be sure that your list of goals is clear and concise, such as:

- creating more accurate estimates
- improve job costing
- improve communication between the field and the office
- speed up Change Order approvals or submissions
- eliminate duplicate data entry of task x
- automate billing
- certified payroll processing

Keep in mind that all choices that are made during the project should be weighted according to how well they help to achieve your final goals.

3. Build a project schedule:

Creating a project schedule that outlines ALL of the major activities and any sub-activities is a crucial piece of the project. Just like any of your construction projects, you need to take the time to consider the various dependencies and resource requirements of each piece of the project and allow a proper timeframe for each one.

One of the biggest mistakes we see is not allowing enough time to properly test and/or implement a new software program. We frequently receive calls from people who say I have to have 6 weeks worth of certified payroll reports out by 4 o'clock this afternoon!

4. Create a budget:

Have a ball park figure of what you want to spend on your new technology project, making sure that your budget includes costs which are outside the purchase price of new software, such as new computers, hiring consultants to help install the computers and/or the software, and training.

When considering the purchase of new computer equipment, make sure that you are looking at the cost of "business" computers and not "home" computers. Many new computers come pre-installed with the Vista Basic, and that is not a suitable operating system for most business software. Additionally, many older printers are not compatible with Windows Vista.

An otherwise successful software project could be considered a failure if it comes in over budget if you forget to account for things like this.

5. Define your needs:

Defining a list of functional as well as technical requirements is probably one of the most important pieces of this project and it should include a deliberate and thoughtful analysis of “how you do things now” vs. “how you would like to do them”.

This will require each person in your company to make a list of ALL of their tasks, how they currently perform this task, and how this task could be improved upon.

6. Draft a list of features/needs to be used when evaluating software:

This list can include technical requirements, such as:

- What operating system is supported
- Is the program offered as “software as a service”
- How is licensing handled – per user, per computer

This list can also include the items that you came up with in #5 above.

7. Develop a list of software products to evaluate:

Do your homework - research and develop a list of products to evaluate based on the business needs you wish to improve upon.

Visit www.marketplace.intuit.com and check out the products listed there, read user comments, download case studies, etc. Talk to other contractors and ask them what software programs that they use to perform the same tasks, talk to your CPA or QuickBooks ProAdvisor and ask for their suggestions.

Collect information about each product – brochures, availability of trials, case studies, white papers, pricing, etc.

8. Test and evaluate the products selected:

When available, request trials of the products you wish to evaluate, review product demonstrations and training materials.

Run tests of the products with live data yourself; do not rely on others, outside of your company, to test the product for you.

As you are testing, evaluate the programs against your needs.

9. Implement the products selected:

You should find that many of the programs you have tested easily convert to fully licensed programs – making implementation a breeze. The best time to implement a brand new accounting system is at the beginning of a new calendar year, and if that is not possible the next best time to implement new accounting systems is at the beginning of a calendar quarter.

10. Train your staff:

Make sure that your staff is fully trained in how to use the software that you purchase. Allow time for training sessions, make sure that everyone watches any provided training videos, reads manuals, knows where to look for and obtain help and support for the software.

As new employees are hired, make sure that they are properly trained.

11. Be involved:

As the business owner you need to be involved in the entire process. This is the one step that most business owners feel is unnecessary and they simply turn the project over to someone else; we consider this to be a huge mistake.

Some of the biggest problems that we see when talking to our customers, is that they are tracking so many things in complex Excel spreadsheets and are not using QuickBooks to its fullest potential. This usually occurs when they simply do not know how to make QuickBooks do the things that they want it to, like job costing.

If you find that you are relying on Excel spreadsheets for many of your tasks, it is advisable that you hire a good QuickBooks ProAdvisor, who is familiar with the commercial construction industry, to come in and evaluate the setup of your QuickBooks file and help you take advantage of its flexible capabilities. For a list of ProAdvisors, CPA's and bookkeepers that we have worked with and who understand how to use QuickBooks in the commercial construction industry, visit our website - <http://www.sunburstsoftwaresolutions.com/proadvisors/cpa-s/> and while you are there take a look around our extensive support area.



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