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earning recurring revenues. Resellers should develop consulting skills and strive to become trusted business advisers for their customers.

Steven Cohen, MD of Softline Pastel, echoes similar sentiments and says that there are a number of drivers fuelling sales in the accounting software market. Cohen singles out the SME sector as one segment that has been propelling the sales of accounting software. "SMEs have traditionally been reluctant to adopt more sophisticated technology," he says. "Costs have played a big part in determining how accessible any level of sophistication is to SMEs."

Cohen explains that Pastel's approach has always been to communicate to resellers the

idea of moving "beyond accounting".

He says a number of market factors are playing directly into this principle, in that SMEs are moving beyond the need to simply balance their books. "Applications have been developed to address the specialised needs of SMEs, taking ease-of-use and affordability very much into account," he says. This has meant that SMEs no longer have to lose out against larger competitors with big-budget clout.

Quick Books' Hurwitz says that accounting software packages should provide business owners with more muscle and control, thereby enabling them to spend more time running their businesses and not focusing on balancing their books.

nant factor for them to earn high margins depends on the skills level and support they are able to offer the client. Pundits say that a software sale is not a technology sale but a solution sale. Resellers need to go beyond the box dropping mentality if they are to earn decent margins.

EVC's Hyslop says that earning decent margins from opportunities in the market requires solution providers to be highly skilled in a given product, provide solutions for clients and understand the needs of the client. In addition, solution providers should be able to tailor make solutions to suit their clients needs.

Hurwitz agrees and goes on to say that resellers can earn decent margins if they have a business understanding of their customer's business, integration, as well as implementation skills.

"The current accounting software should allow users to access it from anywhere anytime." – Malcolm Granville, Web Accounting.



Malcolm Granville, Web Accounting

Granville highlights that accounting software packages being developed today are pushing for mobility. He adds that the demand from the accounting clients has more to do with expandability and scalability.

It is significant for reseller to be able to offer their clients accounting software that is scalable.

"The current accounting software should allow users to access it anywhere, anytime," he says. Mobility has an advantage of doing business even in the comfort of your home."

Margins

The issue of margins is always a contentious one given that hardware and software margins have continued to decline. For solution providers specialising in software, the deter-

Skills required

Competition is stiff in the IT solutions selling game and that it is imperative for solution providers to offer excellent services to their customers. Solution providers also need to have skills that build credibility and provide leadership in their businesses.

"Resellers need to have skills to recommend solutions to their customers when required to do so," Jacqui Scorgie, channel manager at Softline Accpac. Scorgie says that it is important for solution providers to attend technical and sales training and having an IT and accounting background advantageous.

Maurice Staal, sales manager at Softline Enterprise says that solution providers need to have product knowledge, skills in project management and financial background if they

are to make significant inroads in the accounting space. Staal notes that forging ties with customers is vital too as skills alone can not win resellers deals.

Softline Pastel's Cohen concurs and says that solution providers need to have IT implementation skills, a solid knowledge of accounting practices and deep product knowledge of the products they sell. "They also need good business analytical skills to correctly analyse needs upfront and recommend the correct product for the size and type of business," he says. "This will give them a better shot at higher margins." He remarks that vendors have to support their channel partners through innovative activities that assist in their business growth and development. "Adding value to our channel is an integral part of Softline Pastel's business," he comments.

Hurwitz believes that no matter how quick an accounting program is to learn, it still requires time, investment and commitment on a reseller's part.

The ASP model

The ASP solution provides SME and large enterprises access to hosted enterprise business applications, without them having to pay for expensive, capital intensive software and IT infrastructure. While the ASP model has faced hurdles in the local market, it would seem that companies are embracing this model. Companies using an ASP model take away the burden of having to manage their IT infrastructure because it is outsourced.

Scorgie says that the advantage with the ASP model is that the customers have an alternative to traditionally

deploy the software into their offices or rent it.

"Other businesses prefer to rent and they do not have to worry about training and the pressures of managing IT in-house," she says.

Accounting Software, CRM and ERP

The integration of the accounting software with CRM and ERP reduces the time and resources required of accounting. The integration solution provides organisations with a complete view of customer interactions for making more insightful business decisions.

and data.

Scorgie believes that the integration of CRM and ERP functionalities into modern day accounting packages stems from the need by business to grow from the traditional accounting software system into one business suite. She says that the advantage of the integration of CRM, ERP into accounting software is that businesses now have one customer information that is easy to use.

Cohen says that increased business competitiveness in the SME sector has increased the demand for improved cus-

"Increased business competitiveness in the SME sector has increased the demand for improved customer interaction through CRM and contact management functionality." – Steven Cohen, Softline Pastel

Staal says that one reason for the integration of the solutions is that the customers prefer to buy from one major vendor and are looking for a complete integrated solution that is easy to understand and use. He says that the demand of the integrated solution is worldwide and organisations want to have a single view of their customers.

"Reporting issues are very important for management and companies need to be provided with an important business tool. Vendors should start looking at customer differentiation instead of product differentiation, he says.

He says that with the ERP system being integrated into the accounting software, businesses are also able to view the financial history and outstanding balances, thereby making easier for businesses to have a corporate view of their business units. The ERP tracks company finances, HR

customer interaction through CRM and contact management functionality. He says that traditionally, SMEs have run these two systems separately, and never came close to the level of integration that only existed in enterprise-level financial systems. He adds that similarly, the ability to integrate business intelligence (BI) into the organisation for greater business insights has become a simple case of maximising the potential of the accounting software.

Given that the accounting software market continues to evolve, good business suites are the ones that offer organisations the option to scale as their business grows. For solution providers what is key for them is to distinguish themselves as trusted business advisors and not sell accounting software as a product or a technology sale. Doing that will give them the competitive edge over their peers. ☆