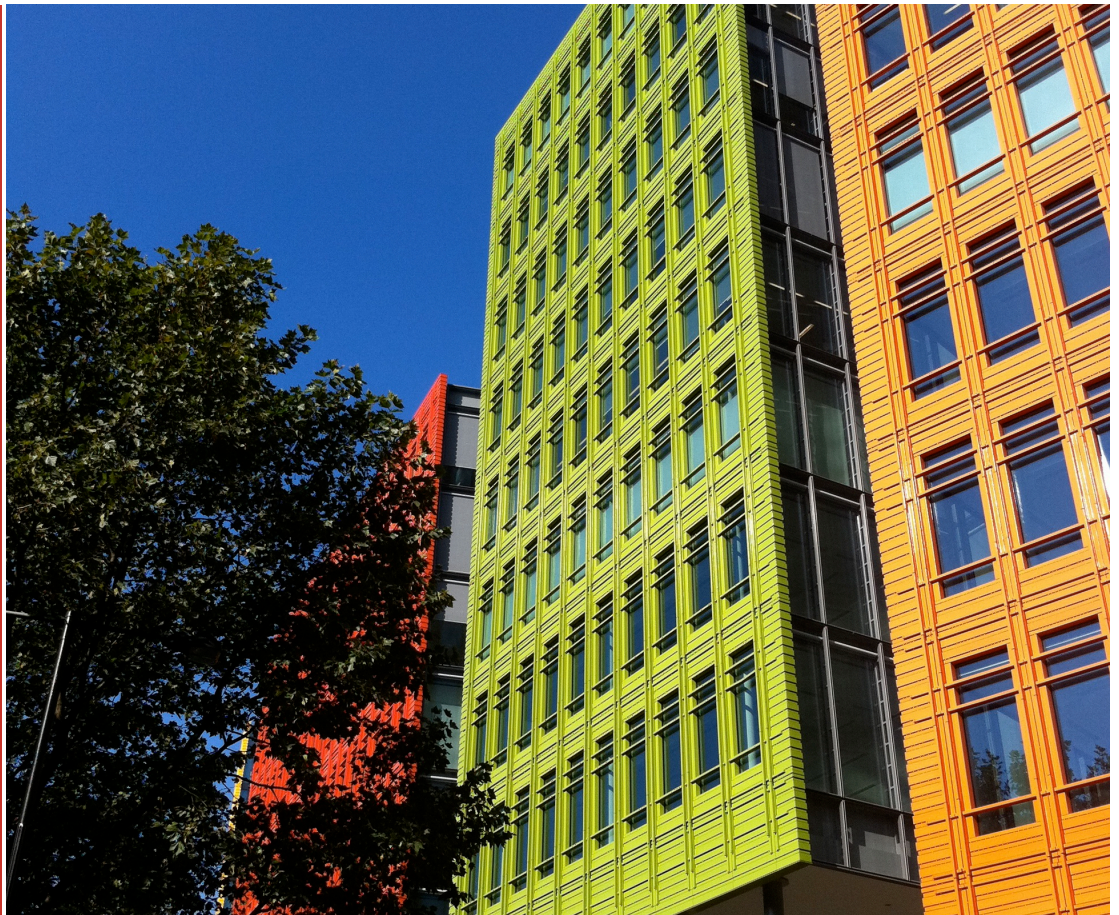


WEB 2.0 ACCOUNTING

November 10, 2011

The modern finance department is very different from that which has gone before. It exists to add value and support to businesses; to provide information to aid effective investment and effective corporate governance; to monitor, analyse and influence best practice management.



Driven by demand. Cloud at its best

Aqilla thrives on user input, great ideas and agile development

By Stephen Levy

The pace of change at Aqilla knows no bounds. The product has continued to evolve at a rate unsurpassed by most of its peer group. In the last six months no less than four new releases have added a plethora of capability to the product. Despite this the class leading Cloud based mid range accounting system retains its underlying simplicity and elegance.

Financial Reporting

The layout of the Excel reports exported from the Financial Reports have been improved to set the column widths more accurately. It is also now possible to copy or clone a whole report definition.

This is particularly useful if you wish to create similar reports. Once the copy has been made, you may edit the details of the new report as required.

The definition of Column Types in Report Profiles has been simplified but made more flexible. The main Column Types have been rationalised into three basic types: Balance, Period Movement, and Year to Date. Additional parameters may be defined to modify the use of the Column Type. *Year Offset* can be used to define the column in a different year relative to the report year. *Period Offset* can be used to define the column in a different period defined by the “relative to” parameter. *Relative to* specifies

whether the period is relative to the period defined when running the report or relative to the beginning or end of year. *Debit / Credit* specifies whether the column should only report on debit or credit transactions.

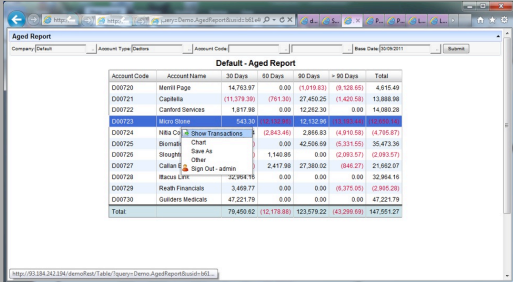
Ledger Definition specifies which ledger / value dimension the values are to be reported from (e.g. Main ledger, Budget ledger, Forecast ledger, etc.). *Field to report by* specifies whether the column should use Base Values or Currency Values. A new Column Type has been added (Period Spread Forward) to complement the existing Period Spread column type (now called Period Spread Backward).

I am the operator ...of a financial calculator.

Calculated Columns have been enhanced to enable users to create their own calculated columns. To do this, users simply select a Column Type “Calculation” and in the Formula field specify the calculation in terms of the other columns defined in the report. It is straightforward to use, and a calculation may include other columns in the report and constants using the standard + - * / and () operators. For example: to calculate a budget variance percentage, the calculation can be expressed as: $(\text{Balance} - \text{Budget Balance}) / \text{Budget Balance} * 100$. Additional number formats have also been provided to allow reporting in whole numbers (i.e. excluding pence, cents, etc.) and percentages plus report column definitions are now stored uniquely to the individual Report Profile. Thus two columns can be created with the same name in different reports but have different meanings.

Department(s)

Departments are used by Aqilla to control the workflow permission for documents. These normally apply to Expense and Timesheet documents but may also be applied to other document types. It is now possible to define Departments in a hierarchy so that, for authorisation purposes, permissions can be granted for people in a higher level department to be able to approve documents owned by people in lower level departments. For instance a “Managers” department could be defined as a higher level to the operational departments.



In addition to the standard Financial Report Configurator, Aqilla now also features the latest SharperLight technology to provide highly adaptable ad-hoc business intelligence on demand.

This is implemented by a new drop down list of Departments called “Higher Department”. Multiple levels of Departments is possible and each Department refers to the next level above. The Department maintenance function now allows the user to add people into a Department and define a Seniority (between 0 and 10). This seniority is used by Aqilla’s workflow to determine who may approve documents. Permissions can also be set so that people with the same seniority can approve each other’s documents (but usually not their own).



Transaction Matching - This function can now handle any number of transactions in an account. The list of transactions is now paged and furthermore filtered by Due Date. Running totals are now displayed as lines are selected or de-selected, showing the credit, debit and net totals.

When reconciling the bank account a new option provides the facility to clear previously download transactions from within Aqilla. The purpose of this option is to correct information that has already been downloaded, such as duplicated items that may have been manually allocated.

How to get it right: Professional Services

Without multiple systems & spreadsheets

By Mark Robinson, CEO at Kimble Applications (www.kimbleapps.com)

Have you ever tried to tighten a screw with a penknife or tried to open a can of beans with scissors? Sure it can be done but it's a frustrating activity, and can be dangerous! The same scenario can apply to business applications. When ERP systems first appeared in the late 80's they were designed exclusively for discrete manufacturers. But making a soft drink isn't the same as making a widget. The needs of process manufacturers are different and so they had to make expensive customizations to these packages to get them to support their business. It wasn't until the next decade that software packages appeared which supported the needs of process manufacturers 'out of the box'.

Today a similar problem applies to business applications for those engaged in professional services, based businesses such as engineers, consultants, lawyers or accountants. In fact any business where skilled human resources are providing a complex service with unpredictable demand and with a cost that rarely declines with greater supply. The applications used by these organisations were designed for firms selling products and not services. Those of us managing professional services firms have had to integrate the manufacturing equivalent of a 'discrete' solution to our 'process' business. So up until now we've had to customize business applications to make them meet our needs and spend more of our time with spreadsheets than we do with our families.

In professional services we typically have a relatively small sales team selling a lower number of high value transactions to a smaller number of clients. When an order is placed we typically can't invoice anything until we complete some or all of the work requested by the client. We may need time-sheets approved by the client as well. The people used in delivering the services are not manufactured to order; they don't all have the same skills and so their costs (salary) can vary significantly. Unlike a product, people costs can continue to rise. If we can't find chargeable work for our people the cost of having them as 'inventory' increases day by day rather than manufactured goods, where the only extra cost of unsold stock is that of storage. Even if you receive an order you may actually not be able to supply the right resources, or on the day you originally committed to. All this makes forecasting revenue and profit much more complex than in a product based business.

There are further complications. For example, consider the case of forecasting a project worth £90,000 to be delivered over 3 months. Even if this was contracted on a time and materials basis it is unlikely that an accurate forecast will be £30,000 per month. How would a product based CRM system handle this? Worse still, what if it was fixed price with milestone payments at the start and end of the project, how can we easily use our CRM system to provide accurate revenue, cost and cash forecasts? Let's not even get into the realms of forecasting annuity contracts with fixed revenue per period but with variable cost associated (as our support team react to client problems which could be time consuming to resolve).

The complexity doesn't end with CRM. In a professional services firm, to maximize profit on existing and new projects, we need to be able to view forecast business against current commitments of our people and know the potential impact on our business of winning (or losing) a particular project. We need to be able to move our people to the right projects at the right time to achieve maximum profit and the highest customer satisfaction. Most resource scheduling tools are not linked to the demand recorded in the CRM system. So, forecasts driven from these tools only provide an accurate forecast of won business. To run our business effectively we resort to building and maintaining yet another spreadsheet!

When we manage delivery we need to be able to see all resources over all projects and look at the relative and absolute profit of existing projects and clients. We want the lowest ratio of billable to non-billable personnel. So we implement project accounting solutions and time and expense recording systems. The downside however is that such systems only provide information after the time-sheets and expenses have been collected. They can't help you predict a shortfall in expected profits, just that the previous reporting periods had one.

To counter the use of spreadsheets, the propensity to compensate with large amounts of manual effort, and to avoid costly errors, the business should look to use a single front and back office solution that is integrated with a specialist accounting solution. This is what the first ERP system designed for the professional services industry needs to be able to achieve. Not forgetting delivering us from spreadsheet hell and reacquainting us with our families.

Journal Corrections

You asked for it

A new function has been added to enable corrections to be made to journals that have been posted to the ledger.

The function requests a Journal Number and displays the details of the transactions within that journal, allowing the user to make amendments to certain fields and post the changes back to the ledger to the currently selected period. The journal correction function does not allow values to be changed and will prevent changes to accounts if the transaction has been allocated or subject to a VAT or similar tax return.

The posting process creates a new journal consisting of a reversal of the original lines that were changed and the newly changed lines. The reversal and original lines are marked in the ledger so that they can be omitted from enquiries and reports. Account and Ledger enquiry have an additional selection option to view corrections.

Corrected transactions are generally hidden in reports and enquiries (in particular, Debtor Statements and Creditor Remittances) to avoid the confusion of any corrections from the underlying data.

For more information visit

www.aqilla.com

..or call +44 (0)20-7098-9881



Data Access Control

The user can be restricted to access only certain ledger transactions depending on the values of Ledger attributes and related entities. A typical example is when the user is assigned a group of projects and can see only ledger transactions related to this project.

A new Configuration view to maintain data filters is now available which whilst very similar to the dynamic or run time filters, allow the selections to be named and saved. Filters can be shared between users.

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Your logo, your image

The mechanism we use for displaying your company logo on the formatted documents such as Sales Invoices, Debtor Statements and Creditor Remittances has been improved. This can make the rendering of the images much sharper. If you wish to consider changing your image do get in touch.

Expense Documents & Tax

The entry of expense types requiring VAT has been simplified in the latest release. The user now enters the Net amount and the system automatically calculates the VAT amount. The VAT amount may be overwritten, if necessary, with a new value. The Claim amount is always calculated as the sum of the Net and VAT amounts. VAT entered through an Expense document can now be automatically included in the VAT reports.