Blog

An FD's guide to migrating to a cloud accounting software.

In today's fast-paced business world, companies rely on technology to get, and stay, ahead of the competition. Finance directors (FDs) and their teams can benefit from true cloud accounting software as a vital tool to enable their business to grow and achieve its targets.

However, not all cloud accounting systems are created equal.

There are several software systems on the market, such as **Sage 50**, that have been adapted to work in the cloud. However, because they were not originally developed for the cloud i.e., they're not cloud-native technology, they're limited in their functionality and accessibility. So, what happens when organisations identify the need to move onto the next level of accounting software – how simple or complex is the migration?

We spoke to Ian Andrews, iplicit founder and chief technology officer, to delve into his experiences with customers who have successfully made the leap from Sage 50 to iplicit's true cloud accounting solution...

I'm sure you're familiar with that sinking feeling many FDs have when considering the requirement to upgrade existing accounting software. Having spent more than three decades involved with the implementation of finance systems – to tens of thousands of users – I'm all too familiar with the fear, uncertainty and doubt that presents itself when having to tackle a solutions migration that's as critical as this.

During my experience, there have been many systems with unnecessary levels of complexity and arduous implementation and training schedules that consumed so much time and money. Often, these systems wouldn't even be working 12 months down the line either.

However, that was the very basis for the team at iplicit to innovate a true cloud accounting solution that wouldn't instil dread into the minds of the purchasers and instead be embraced by users across the entire organisation.

What are the challenges that you've seen most Sage 50 customers face, when upgrading their system?

Without a doubt, the biggest challenge is attitude. Typically, the organisations that we're upgrading have used their existing system for many years – they've since outgrown it and now realise that they must change. Though the 'better the devil you know' mindset is often prevalent among many of the staff.

Even though the users know how problematic their existing accounting software has become, they have usually engineered many workarounds and shortcuts. We'd see multiple Excel spreadsheets and the acceptance of manual entry and rekeying data – all simply to get around ongoing issues that are often caused by growth and/or the need for a cloud-native solution.

How do organisations overcome the fear of migration and change?

Our implementation consultants guide customers through the entire process – it starts with separate extracts for each legal entity and discussion regarding rules on Chart of Accounts.

We've found that the training and set-up process works significantly better when the user sees their own data as early as possible, even if it's a sample dataset. To this end, our process includes the rapid creation of a 'sandbox' environment and core set-up (for example, Legal Entity, Chart of Accounts, Sample Suppliers & Customers) provided by the customer.

This creates a scenario where our consultants and the user can very quickly relate to, and visualise, how iplicit will work for them. This aids rapid understanding and better decision-making from the outset, leading in due course to the full data migration.

We then set up a sandbox as a practice so customers can truly see it in action. It takes barely a day to have sample sets of their real data from the existing system, into the new system in either the same format or transformed to an improved/consolidated Chart of Accounts.

Then sample documents will be entered to 'play' with the new system and establish exactly what's needed. Often, this is an ideal time to clean up the old data and identify dormant and redundant content, such as suppliers that haven't been active for over three years, for example, and transfer them to 'archive', rather than the new 'live'.

Once we've got people playing with the new system, in a safe environment – and without fear – we see the excitement emerge at the thought of the improvements that the new system might bring.

What's an example of an improvement that is typically a 'wow' moment for users?

During the migration and early training phase, most people cannot believe how flexible the new system is – no matter what they've used before. In iplicit, any field anywhere in the system can be reported upon and these **reports are unlimited**, fully customisable and provide a real-time view across the entire system which means there's always one version of the truth.

We also find that many customers come to us because they're using multiple versions of their entry-level accounting software due to having multiple legal entities. That leads to another 'penny drop' moment when users start to realise the potential of their new system and how it can manage any number of legal entities, with just one Chart of Accounts used, and no matter how many bank accounts.

One customer recently transitioned from 40 separate Sage systems, covering 40 legal entities. The manual work involved in **providing consolidated figures and for year-end** was inconceivable. However, with iplicit, the user freed up so much time for staff so they could focus on more strategic areas within the business.

Other standout features include our automated **Bank Reconciliation function** – which provides an indication of how the new way of working will take days of manual labour out of the process – as well as project costing and approval workflow functions because they're likely to be the first time they've seen this type of functionality within a core accounting solution.

Do you have any advice for FDs in organisations that have outgrown Sage 50, however, are reluctant to change?

Firstly, I'd point out that the initial anxiety associated with changing any core system is completely normal. 'Fear of change' is nearly always present in one form or another, however, we soon dispel these concerns.
Secondly, there is no substitute for talking to people who have been in similar positions and taken the leap. After every implementation, no matter how smoothly it went, there are always learnings and decisions that might've been made differently with hindsight. So, it's worth talking to FDs about their personal experience.

And finally, with regards to the **migration of your data**, we do it all. We have designed tools specifically to make the transfer process simple. It semi-automates a good deal of the 'leg work' too and with our implementation experts, you'll get fast, easily accessible information that's available to everyone who needs it.

We also haven't stopped at **Sage migration;** we recognise that making the transition easy is fundamental to the levels of client satisfaction that we achieve. We've also built tools to migrate from a number of other systems, including Exchequer for the organisations looking for a cloud-native solution, and Xero for those outgrowing their system and seeking something more powerful.