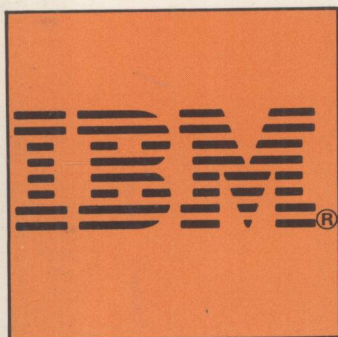


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PEACHTREE SOFTWARE FOR PERSONAL COMPUTERS:

INTRODUCTION AND DESCRIPTION

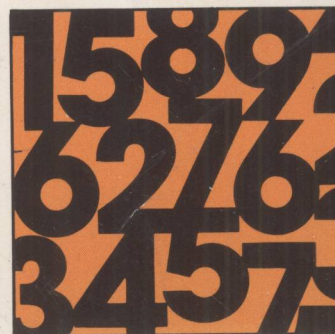
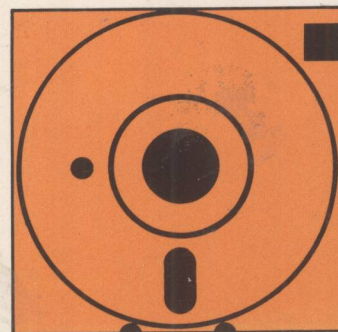
Kenniston W. Lord, Jr.



**GENERAL
LEDGER**



**ACCOUNTS
RECEIVABLE**



**ACCOUNTS
PAYABLE**



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PEACHTREE SOFTWARE FOR PERSONAL COMPUTERS: INTRODUCTION AND DESCRIPTION

Kenniston W. Lord, Jr.



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**QED® Information Sciences, Inc.
Wellesley, Massachusetts 02181**

Peachtree Software for Personal Computers: Introduction & Description

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Printed in the United States of America

Library of Congress Catalog Card Number: 83-061296

International Standard Book Number: 0-89435-069-2

PEACHTREE SOFTWARE FOR PERSONAL COMPUTERS: INTRODUCTION AND DESCRIPTION



PREFACE

Selecting the right software package to install on your personal computer is one of the most difficult tasks facing the small business. You may be an accountant seeking information for use on your client's accounts -- or you may simply be the owner of a small business who feels that there has to be an easier way than all the time you must spend to maintain the books. Among the applications you should consider are general ledger, accounts receivable, and accounts payable. These are available in the Peachtree accounting software. The basic question is whether or not these packages can do your job.

This book was written to provide you with a better understanding of what the Peachtree software is and is not, what it can and cannot do, and what you should know BEFORE you put down your investment of \$600. This book will teach you enough about the Peachtree software packages to give you the guidance necessary to make the appropriate decision and to install the software if it is right for your organization.

After reading this book, you will be able to answer the following questions:

1. What can the three systems do for me?
2. Can the systems handle my organization's volume?
3. What should I do to prepare for an automated system?

The book is organized into four chapters. The first chapter will teach you how to prepare for the packages. It provides the guidance a first time user needs before installing the package.

Chapters 2 through 4 describe in detail the General Ledger Package, the Accounts Receivable Package, and the Accounts Payable Package.

It covers the processing flow, the volume they can process, the program descriptions and the reports you will receive. We have borrowed from the Peachtree manuals and from the sample data diskette they provide with the software to show you the reports. We saw no reason to reinvent the wheel so we have used the data Peachtree created for a company called the Star Corporation. The material contained in these chapters is solely the opinion of the author and is based on evaluation of the three packages. As software continually is enhanced, the three packages could be somewhat different at a later point in time. Bear this in mind before making a final purchase decision.

I would like to express my appreciation to Bob Berger and Ed Kerr of QED Information Science, Inc. for their critical review of the book and editing efforts that made readable good sense of a complex topic.

We hope that you'll have had the opportunity to read this book before you invest in the software. It's good software, well constructed, and well documented for the most part; furthermore, it is designed for the small business. Once you know the language, the amount of reference to this book or even to the reference manuals will be diminished. But until that familiarity arrives, we'd like to hold your hand just a little.

May 1983

Kenniston W. Lord, Jr.

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1

BEFORE YOU INVEST IN THE SOFTWARE

The microcomputer is a remarkable achievement—and the PC is among the most remarkable. For less than \$10,000 you can purchase a computer and all the necessary software to automatically perform such functions as bookkeeping, inventory control, payroll, and accounts receivable.

To listen to the salesman, the PC needs only to be carried through the door, set up on the table, plugged into the nearest outlet, and nothing else is required. The implication is that it will perform miraculously, saving fistfuls of money. Such is not the case, and if no other lesson is to be learned from this work, the purchaser of such a system should come immediately to grips with the following facts:

- o Hardware, by itself, is no solution to any business problem.
- o General purpose programming (software) is just that: general purpose. It will be necessary to adapt your business to the computer, not the other way around.
- o The microcomputer is not a direct substitute for a larger, more capable system. There are limitations to its design and to its capabilities. Do not expect that by purchasing a micro you will get it to perform as if it were a million dollar system. This does not mean that the hardware and software will not be capable. It is, and may be far beyond what you are currently capable of doing. But it is not, by definition, a full-blown data processing system. It has limitations.
- o The system, while capable of performing many functions, will most probably be devoted to a single function or to a limited set of functions. This limitation will be imposed by

the existence of a single input device (a keyboard), a single output device (a printer), and a processor capable of running but a single application at a time.

- o You will not be able to merely plug your current manual systems into the microcomputer. In fact, the systems development required for the microcomputer is not terribly dissimilar to the systems development required for the million dollar systems. It's merely a function of scale.
- o At first there will not be any significant savings attributable to the possession of the microcomputer. Yes, you may well make savings in the handling of individual transactions. You will be able to expand your workload without a significant increase in expenditures (but not a decrease). And it will be possible for you to expand the equipment to meet your needs. But at the same time, you will not be able to escape some significant expenditures that may not be immediately obvious. Among these are the building of the initial computer files, the training of the staff, the adaptation to specialized forms, and the necessity to interface and integrate other systems--or, if you will, to integrate the computer to the way you do business.
- o The microcomputer is not "the system." The system includes not only the hardware and software necessary to operate the application, but also everything else that is needed--from the time a transaction occurs (for example, a sale), through the time that the customer's file is updated, to the time that the invoice or statement is prepared and mailed. Then the problem extends again when the payment is received.

If the above could be summed into a single statement, it would have to be this: building the system for the microcomputer is no different than building a system for the larger counterpart. The steps to be followed,

the elements to be included, and the results to be demanded are exactly the same. There are no--repeat, no--shortcuts. The generalized programming available may shorten the time involved and reduce the programming that you personally must do, but that's all.

WORKING WITH THE PEACHTREE SOFTWARE

One of the problems with the PC's distribution scheme is that those involved in selling the machine are not systems people. Some have written a few programs for the PC or for other computers, but by and large, their job is to sell you the machine. If you are to use the machine successfully you must move cautiously, and if much is at stake, you must seriously consider purchasing short-term qualified assistance.

Anyone who really knows the world of data processing will advise you that poor planning is the cause of many systems development difficulties. If too little time or attention is spent, essential details will be overlooked, leading to costly changes, delayed implementation, frustration, and possibly anger.

Only a very few of the available software packages will precisely fit your operation. You must therefore (1) change your operation to adapt to the computer system, or (2) adapt the computer system to fit your operation. In both instances there are hidden and unforeseen costs, delays, and frustrations.

If you attempt to directly install this system (generally called a "turnkey" system), you must change your forms, reports, and reporting methods to conform to the acquired package, or else pay to have the package tailored to your operation. If you choose to have the package tailored, the software loses its warranty. And then you'll discover that the changes simply will not fit within the hardware configuration you have purchased--that the changes to the software will require either more memory or considerable reworking. Sooner or later you will count the cost, survey what happened, and wonder why.

Conversely, you might start from scratch, and develop your systems as they were originally developed by the vendor, but this time, develop a system which specifically fits your operation. The problem with this is that you'll spend your time playing computer programmer and not attending to the business which made you what you are--generally because you feel you cannot afford qualified talent.

Let's re-examine what you are trying to accomplish. The hardware looks attractive, right? Your operating costs have gone out of sight, right? Perhaps your controls have left much to be desired and your accountant is shouting about how you waste money. If you are willing to adapt to the purchased software with no changes, there is great likelihood that you may accomplish what you set out to accomplish. If, on the other hand, you want to vary the reports or their contents; if you were to use the equipment beyond its capabilities, you are likely to be disappointed.

Either choice has pitfalls and adjustments, and you pay a price. Either has a right way and a wrong way. With either selection, please do it right. If you try to cut corners, you may not be able to afford the price. Companies have disappeared from existence who have done it incorrectly.

THE STEPS TO A PRACTICAL IMPLEMENTATION

Given these cautions, what steps are important? For the balance of the chapter, the most important steps will be identified. You must determine which are most applicable to you and act accordingly.

- o Take the protection of your diskettes seriously. The DOS diskette will cost \$40. If you invest in the Peachtree software, you will have spent another \$1800. If you purchase other software, that cost must be considered. But--nothing will hold a candle to the costs of reacquiring the data which you develop on customer files, vendor files,

mailing list files, etc. Over a very short time, hundreds of hours will have been invested to develop these files, and the current status of your business, at any time, will reside on a \$5 piece of thin plastic. Work out a rotation and protection cycle.

- o Change your thinking about forms. In order to effectively use a computer, your forms must now be obtained in what is known as continuous format. The adaption to continuous forms may well mean that you must discard other forms you have purchased or developed. That will cost. It may also mean that you must give some thought to specialized design. For example, if you install a payroll or an accounts payable system, then continuous form checks are not available from the bank. They are available only from a forms vendor. They involve lead time for design, approval, production, and delivery. And their reorder factors are much more stringent.

Likewise, other forms, such as purchase orders, invoices, statements, etc., must be considered.

- o Change your thinking about how you do business. If your inventory information is on a diskette, for instance, and the computer is busy working on preparing invoices, you will not be able to determine immediately the number of "widgets" that remain in inventory. If the warehouse is in the same building, then you can go count. If it's across town, then that is somewhat more difficult. While you used to have manual stock records, you have now committed them to a diskette, and you may still have to wait. You will indeed feel frustrated that what used to be available in pre-computer days now seems unavailable. The problem is not insoluble, but changes in orientation may be required. If your system produces invoices, you cannot simply write up an order manually. You must wait for the computer to do it, which is certain to lead to

frustration. There are three alternatives: (1) wait, (2) get rid of the computer, or (3) get another computer. If, however, you will recognize that the computer is going to impose some changes on the way you do business, you will be able to adapt.

- o Give some serious thought to either purchasing a second microcomputer, if you can afford it, or finding a friend with one that can be used if something goes on the blink. Remember that if you commit the processing of your business largely to the microcomputer, and suddenly find that the machine has broken down, you may have to wait from three days to two weeks before it can be repaired. Your business may not be able to wait that long. Don't let anybody tell you that this is not a serious consideration. It is. The only other alternative is to go back to the old way. But when the machine goes down, you may at least have to find someone to help you get paper copies of your computer records. Don't overlook this consideration.
- o Office systems often develop in a haphazard manner. When something needs to be done, it is done. Often, data recorded is a function of the form in use at the time. If you were to go through your paper files, you would learn that a very small percentage of data items have been completed on many of those forms. The computer will not allow you to get away with that. Well-developed software will impose data gathering upon you and your people, particularly if any built-in editing of that data is performed. Therefore, apart from the learning curve for the new equipment, be prepared to hear that things have slowed down while people research and enter data which they simply used to ignore.
- o Your supplies closet will change composition. Now you must obtain specialized forms, and you must obtain new items, such as diskettes and printer ribbons. Some of these

are not available through Joe's Office Supply. Therefore, new ordering techniques and sources will be required.

- o The validity of information becomes more critical. There is a tendency to accept computer prepared data on its face value. Results can be disastrous if decisions are made on data which is later found to be incorrect. Remember that the data entered on the magnetic files is not visible to the naked eye--and for that reason it is not subject to the reasoning human beings can place upon data gathered and processed more slowly.
- o Recognize the limitations of the system. When you find the validity of the data is accurate, the natural inclination is to want more extensive data. However, that will not be possible if you are using a software package you have purchased. If the data is already on the files you--or someone else--can no doubt write other programs to process it. But if the data has not been stored it cannot simply be added to what you have.
- o Don't spend time trying to define requirements and do programming yourself. And don't be tempted to ask Junior who is taking EDP 101 in the local community college to do so either. If you're good at making widgets, make widgets, and recognize that the business should be given to someone who is good in making the PC work for your business.
- o Spend time very early with your accountant and your auditor to find out what sort of requirements they will place upon the PC and the Peachtree software. For instance, if you are now using cost codes of 10 positions, you may find the size of the account numbers in the Peachtree software to be prohibitive. If your budget system involves a four part cost-center number, then the two part number that the Peachtree system uses may not

be satisfactory. In any event, you may hire an accountant or auditor to help you with government filings--you would be well advised to get him involved in this project.

- o Train at least three people to know both the hardware and the software. Neither the PC nor the Peachtree software are so simple that a person could dig out information on short notice. To begin with, up until this series of books, everything available on the system has been written from the computer person's perspective, not from the perspective of your secretary.
- o One of the problems any organization encounters is the fact that procedures are developed in a haphazard manner. New people learn the procedures from employees who have been around for some time. Each person who has a functional responsibility for a procedure will plant his or her individual technique upon the procedure. This leads to shortcuts, some of which are perfectly valid. However, it also means that after a very short time the working procedure bears little resemblance to the intent of the original procedure. It is therefore a wise investment of time and funds to document any and all procedures--and particularly those procedures which must be interfaced to the new microcomputer. If you don't, you'll pay for them anyway in the long run.
- o When the procedures are developed, you should develop a flow diagram of the system. Remember, system is not the same as computer. Your system will begin with the transaction which triggers something. Perhaps it is a sale. Or a payment. The relationship of the computer to the manual processes--even those which leave the business office--must be thoroughly defined. And everybody should know who is responsible for what.

We do not wish to frighten you, only to help you understand that you and your staff will have to spend some time in preparing to use the software. To help you with the installation, the rest of this chapter presents the steps you should follow. Figure 1.1 shows this development process.

System Planning

The first step is planning how you will use the computer, the resources to be employed, the general information requirements, and the target date for important tasks. It is at this point that you should concern yourself about the potential impact of the computer. Ask yourself a few questions:

1. How will my business use the computer?
2. Will it change the way the business is run?
3. What impact will it make on my office procedures and manual support systems?
4. Who will operate the computer and what other personnel will be required?
5. What pre-preparation must we do before we automate?
6. What applications will we automate first?
7. Will these applications save the company money and/or improve our operations?

Of course there are many more considerations that you should review and learn before you move ahead.

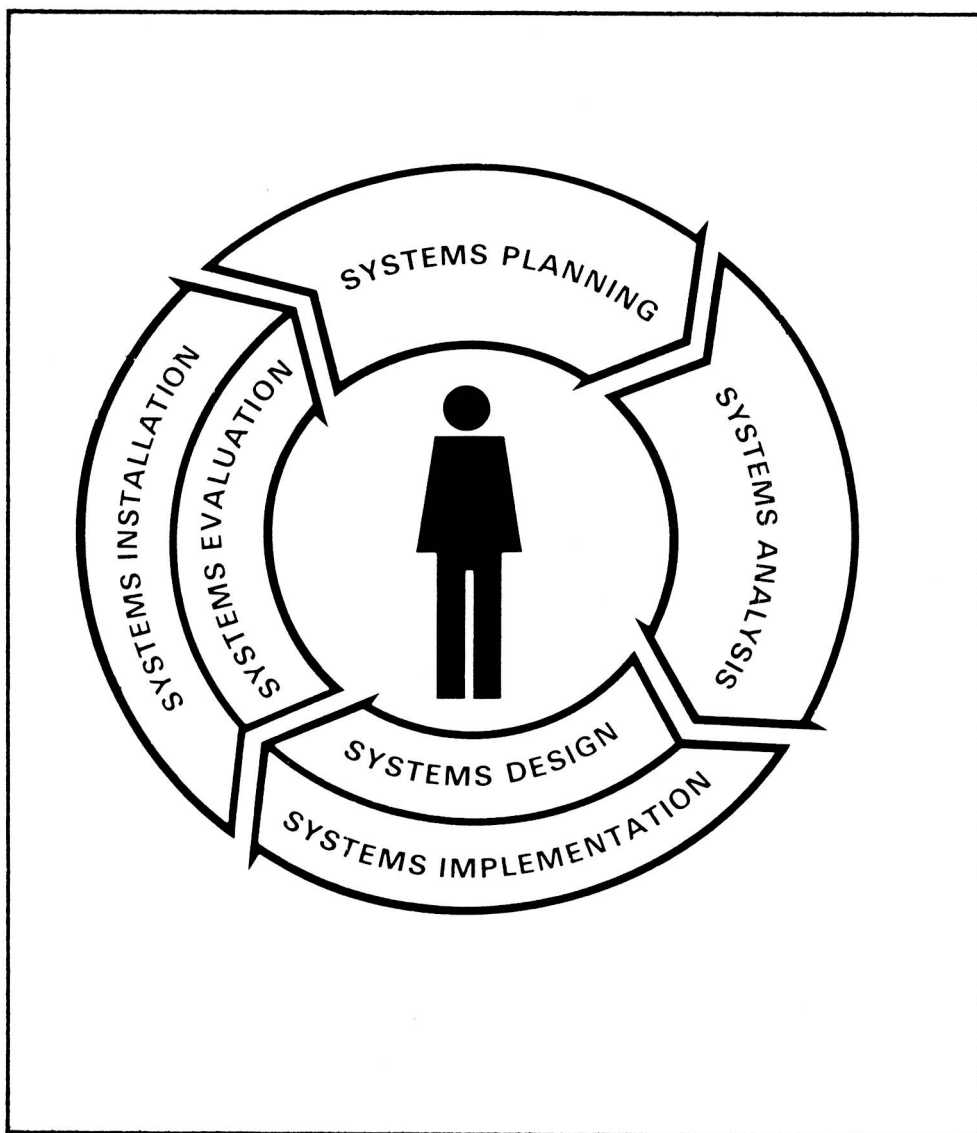


Figure 1.1
The Development Process