



## News Software Quarterly

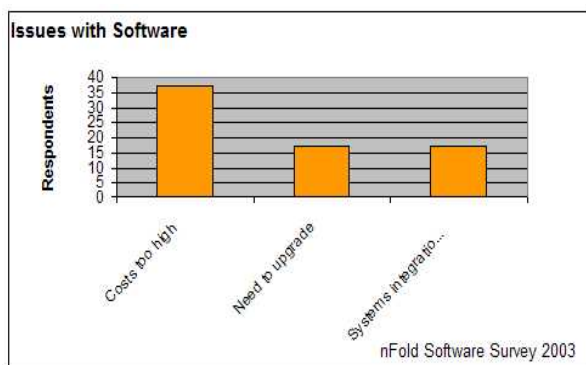
January 2005

Friends of nFold,

Welcome to the fifth edition of nFold Software Quarterly. If you find it worthwhile, please share it with your friends and colleagues. To subscribe to this newsletter contact [subs@nfold.com](mailto:subs@nfold.com).

### THE PROBLEM WITH SOFTWARE TODAY...

As nFold is about to embark on the next enterprise software survey in association with ITWeb, I had cause to reflect on the issues that respondents of the last survey were having with their software. I will be curious to see how these results compare to current issues that will come to light in our new survey results due to be released in March.



The 3 biggest issues raised the last time were:

#### Costs too High:

Ironically, although about 30% of the companies surveyed identified the high cost of software as an issue, at least 60% had benefited from some form of discount (either currency or volume). Perhaps it was the 60% that didn't complain of high costs? Still, software vendors should heed the warning that a critical mass of customers do not think they are getting value for money.

#### Need to Upgrade:

Another common gripe is the fact that software is constantly being upgraded, forcing users to install the more recent versions or constantly play catchup. Often, there is no business case for the upgrade, yet it consumes a large amount of time and effort by the users.

#### Systems Integration:

Last but not least, with many different systems in use, there is an increasing need for the systems to talk to each other. Yet compatibility is often a problem. So again, time and effort is needed to integrate systems and/or data. I guess it's the old argument of whether to buy many specialist systems or few generalist systems.

Don't miss out on the next software survey. See nFold news below to participate.

### SOFTWARE SPOTLIGHT

INFORMATION	CUSTOMERS	EMPLOYEES
<p><b>VATRAX</b> automates VAT compliance processes and controls for exporters, to reduce VAT risks. The software collects data from financial systems and notifies users by email of work and data outstanding. The solution costs between R10,000 and R80,000 depending on the number of entities and transactions. For more information, call 0800283888 or contact <a href="mailto:vatrax@deloitte.co.za">vatrax@deloitte.co.za</a></p>	<p><b>Concurrence</b> captures, collates and delivers electronic media in a coherent, attractive and easy to navigate format. Built to deliver professionally branded media via CD-ROM, it requires no formal training or technical ability beyond browse, point and click. The solution saves bid teams time and money in helping to present tender material. The core tool is roughly £8,500. Visit <a href="http://www.qnd-ltd.com">www.qnd-ltd.com</a></p>	<p><b>VIP Classic</b> provides an integrated solution for Payroll, HR, Employment Equity, Skills Development, Leave Administration and Personnel History. VIP's products are kept up to date with changing local legislation. For a company who needs to process 100 salaries, the once off cost is roughly R5388 (excluding annual, training &amp; implementation fees). Visit <a href="http://www.vippayroll.co.za">www.vippayroll.co.za</a></p>

## ERP WINS THE DAY

Those of you who read our October newsletter, will remember that nFold was involved in conducting a comparison between Peoplesoft and Accpac for two companies merging into a single entity. One of them used Accpac as its ERP system, while the other used PeopleSoft. There were some interesting conclusions arising from the project:

- **System Efficiency** - Although user feedback from other companies indicated that Accpac was more efficient, internal user feedback led us to conclude that on balance Peoplesoft transactions could be processed more quickly with fewer people.
- **Financial Implications** - Initial cost estimates to meet the functional requirements were much higher for a Peoplesoft solution - far in excess of the project budget.
- **Functional Requirements** - However, the Peoplesoft solution was a much better match to the company requirements. Many more features were 'out of the box', while customisation or programming would be required for Accpac to meet the need. Still, Accpac was an 80% match to the requirements, which was considered 'good enough'. And there were no showstoppers in terms of critical business requirements that could not be met.
- **Supplier Performance** - Although the Peoplesoft suppliers were rated by internal users as quicker to solve problems, and the solution is delivered with 650 best practices, the fact that a Peoplesoft solution would take 6-9 months rather than 1-3 months to deploy, weighed against it in the final analysis.
- **Technical Considerations** - Accpac was not nearly as integrated a solution as Peoplesoft because different modules (e.g. CRM and Customer Service) are developed by different companies. Still, the latest version of Accpac was judged to be more stable and the level of complexity for upgrading to the next version was significantly lower.
- **User Feedback** - Internal user feedback weighed in favour of Peoplesoft, while feedback from users in other companies leaned more towards Accpac. So on balance, the solutions were considered to be equal in terms of user feedback.

At first glance, the enormous cost premium and time consuming deployment of Peoplesoft tipped the scales in favour of AccPac. The COO likened the comparison to an Audi sedan versus a Toyota bakkie - one is a lot more comfortable, the other gets the job done. However, the company was able to finesse the time, complexity and cost implications by reducing the scope of the project. So in the end, they chose to go the Peoplesoft route. I'm sure you will have seen that Peoplesoft has recently been taken over by Oracle. nFold's analysis predicted that this might occur. Fortunately, Oracle has promised customers it will continue to support and develop the Peoplesoft solution. So the risk turned out to be less dramatic than we feared. Well done Peoplesoft!

## NFOLD NEWS CORNER

Hot off the press! nFold is conducting the next enterprise software survey in association with ITWeb. The questionnaire will be online for 3 weeks from today. **Click here to participate in the software survey**. You could **win a USB Wireless PC-lock** and you can test your software performance if you **apply for a personalised benchmark report** comparing your use of software to other companies in the same industry.

nFold would like to welcome two **new learners** to the family. Prisca Langa and Refilwe Makutulela started in January and should be with nFold at least until June. I'm sure you will be hearing their cheerful voices or even meeting them in person in due course. To make space for new recruits, **nFold will be moving** on 15 February. Our new address will be 41 The Valley Road, Parktown, where we will have plenty of room for growth. Telkom willing, the disruption to our telephones should be shortlived. Please don't hesitate to call Sandy on 083-326-6763 any time.

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