



## AN Rx FOR REPLACING FRx

10 considerations that ensure your replacement becomes an improvement

Out of what is, in effect, a forced displacement from their FRx comfort zone businesses have an opportunity to significantly upgrade their reporting and analytics capabilities.

## INTRODUCTION

It is difficult to overstate the impact the phased discontinuation of FRx, beginning in 2011, will have across the financial reporting landscape. The de-facto standard for reporting tools since the 1980s - connected to dozens of the most widely used financial and accounting packages, ERP systems and a range of other business management applications catering to the mid-market - FRx is the only financial reporting tool tens of thousands of accountants and financial managers have ever used. The reverberations caused by FRx's impending demise are extensive, and a seismic shift is underway as businesses across a wide swath of the economy begin their search for a replacement financial reporting tool.

As deeply rooted as FRx is, and as much as some users still prefer it, its limitations are real and accountants have grown accustomed to developing their own ways of working around those limitations.

Now, companies are looking with fresh eyes at their unique reporting and analytic requirements. They can acknowledge the functional and interface-related constraints their accounting departments been grappling with for years with FRx; identify features and capabilities that will allow accountants, controllers and CFOs to do their jobs more effectively and efficiently; and evaluate the range of alternative financial reporting solutions available to mid-market businesses today.

What are those features and capabilities? What criteria should decisions-makers use when evaluating different financial reporting solutions? Such are the questions being asked right now by end users, who alongside solution providers with business applications that require an interface with a financial reporting system, are entering the closing stages of a long-standing relationship with FRx.

The table on the following page summarizes 10 items companies should consider when evaluating an FRx replacement. Each of the elements in the table is expanded upon and fully explained later in the whitepaper.

## SUMMARY CHART

**Considerations****Explanation**

Native to Excel	With 550 million worldwide users, Excel is the standard reporting solution of business. Replacement solution should operate inside of Excel versus simply outputting to Excel.
Intuitive/Easy to Learn	A casual user should be able to start utilizing the replacement solution immediately, avoiding reliance on specialists for report creation.
Addresses Today's Complex Financial Reporting Requirements	In today's global economy, businesses need a solution that addresses the ever evolving financial reporting requirements of growing companies (consolidated financials, virtual roll ups, multi-currency, cash flow statements, etc.)
Empowers All Types of Business Users	Replacement solution should be flexible enough to address the needs of power users (analyst) to the casual users, empowering companies to create a self-service environment that allows end users to answer their own questions.
Interactive Real Time Information	Today's business users require real time access to information. They want to be self-sufficient with the ability to gain immediate access to detail. Business users want to query information without having to wait to rerun a report.
Integrated to Multiple Applications Outside of General Ledger	Today's best of breed companies analyze financial with operational information. Replacement solution should be able to pull information from different applications into a single report.
Extensive Charting, Graphing, Dashboarding Capabilities	With today's vast amount of information, data visualization is essential to decision makers to identify key trends/issues.
Automated Report Distribution \ Alerting	Remaining competitive means getting actionable information/alerts to decision makers in the formats (ie. Excel, pdf) via the methods (i.e. email, smart phone) they prefer as quickly as possible.
Price-Total Cost of Ownership	Look at the total cost of the solution: implementation cost, training, report build out/conversion etc.
Built for Future Needs	As the amount of your business data and reporting requirements grow, consider whether the solution can scale with your organization. Is it utilizing the latest technologies?

## NATIVE TO EXCEL

“Every accountant knows Excel,” says Cherry Williamson, President of Emerald TC, a Georgia-based systems integrator and Sage Authorized partner. In fact, Excel has over 550 million worldwide users and is the standard reporting solution for the business sector. Williamson attributes FRx’s early success to the fact that it is Excel-like in that it works on a theory of rows and columns; however, its usefulness is questionable beyond standard reports. If a user needs to add conditional formatting, complex calculations or charts, for instance, they are forced to move FRx into Excel. So logically, Williamson believes that companies searching for an FRx replacement should be looking for a solution that operates inside of Excel, versus one that simply outputs to Excel.

Dennis Payton, Director of Product Marketing for Expandable Software, an ERP solution provider for small and mid-sized manufacturers, agrees. His company’s ERP solution has interfaced with FRx since its inception and still does, though Expandable, like all FRx partners, was compelled to seek out another provider. “You can’t sell an ERP without reporting. You can collect all the data you want, but if you have no visibility that data does you no good. It’s a critical piece for us, and if we don’t have that reporting tool we’re done. We’re now offering our customers a reporting solution that is 100% Excel-based.”

## INTUITIVE/EASY TO LEARN

The key to the success of any solution lies in the speed at which it is adopted by the full range of users across the organization, and having a system native to Excel is the first step in achieving rapid, widespread acceptance.

Financial reporting is so critical, small and medium-size businesses can’t wait days, weeks or months as the system is implemented and their accounting departments ramps up enough to begin building reports. In reality, a casual user should be able to start utilizing the solution immediately, avoiding the reporting bottlenecks that occur when someone with specialized skills needs to be called in to create a report. The system should empower all categories of end users, from business analysts to front-line workers.

“A technologically advanced system is great, unless it’s so advanced that you need IT helping you with your month-end close,” says Emerald TC’s Williamson. “The use and management of a financial reporting system should stay within the function of the accounting department, and it needs to be intuitive - something they can pick up in less than a day of training.”

She goes on to explain that businesses should always expect some kind lag time for adopting a new system, but the long-term expectation has to be that the system has to operate within the scope of the accounting department’s understanding and capabilities. The solution should enable a self-service environment, allowing the end-user to answer their own questions. “You don’t want accountants trying to write SQL scripts.”

## ADDRESSES COMPLEX FINANCIAL REPORTING REQUIREMENTS

In today's global economy, companies are closely scrutinized by both internal and external parties. Controllers and accountants can leave no question unanswered, regardless of whether those questions are performance related - overall company performance, departmental performance, location performance - or related more to external compliance and regulatory issues. Businesses need a solution that addresses the ever evolving financial reporting requirements of growing companies - consolidated financials, virtual roll ups, multi-currency, cash flow statements, etc.

Increasingly, accountants must drill down into data at any level and create different views of that data to meet the requirements of every party, regardless of how many levels of information they manage, and they must be able to do it without the system being overwhelmed by the sheer volume of data.

A reporting system that pulls real-time data into existing report formats, which can then be emailed or otherwise distributed to all parties is essential. "It's all about the level of information, the ability to drill down and create alternative views. Requirements are getting more sophisticated and so are the controllers and accountants that have to meet them. The reporting system has to be able to keep pace with escalating demands placed on it," says Russ Carey, Vice President of BHE Consulting, a Massachusetts-based firm that specializes in Enterprise Software solutions and a Sage Select Partner.

## EMPOWERS ALL USERS

Selecting a financial reporting system native to Excel has multiple, critical implications impacting the user's performance efficiency, system implementation, management costs, overall user friendliness and the overall value of the end-product - the financial report - to decision-makers.

"I think the biggest challenges financial and accounting professionals face are time-related. People are having to do more with less," says Emerald TC's Williamson. "Many small and midsize companies have the same reporting and analytical complexities as larger companies. They want to drill down into data; for instance, if they've got multiple locations they may want to do a comparison of one location to another. Executives want reports that help them analyze trends and variances or enable them to forecast more accurately. Their financial requirements have become increasingly sophisticated, so accountants have had to become much more efficient." In addition to expanding internal requirements, outside pressure, such as compliance with imminent GAAP rules changes for revenue recognition, are about to put an even greater premium on efficiency.

Prior to making his decision on a replacement reporting tool, Expandable's Payton spoke with a number of Expandable customers, and one consistent message came back. "A lot of the controllers and CFOs were saying, 'FRx is a great tool and we've used it forever, but the problem is you're constantly running the report and exporting it into Excel. It would be nice to have a tool that is already in Excel.'"

Kelly Merrill, Director of Finance and Administration for KS&R, an international market research firm, creates anywhere from 2-5 ad hoc reports per month in addition to a

number of standard reports. In the four years she used FRx, those ad hoc reports had to be done in Excel. "It's definitely about efficiency. I had a template set up in Excel, and I used to have to key in the new data each month and import it into the format I was using. I needed a reporting tool that would give me the most up-to-date reports in the format I require."

## INTERACTIVE, REAL-TIME INFORMATION

Today's business users require real time access to information; they want to be self-sufficient, and with that comes the ability to gain immediate access to detail - to query information without having to wait to rerun a report.

During her evaluation process, Merrill, who needed particular help with budgeting and forecasting, focused on Excel-based tools. In the process, she discovered that not all are created equal. "All of the solutions I looked at had Excel embedded; however, all but one of those solutions export rather than pull data into Excel, so the data wasn't constantly refreshed; I'd have to do another export to get the most recent data. The one exception - the solution KS&R selected - actually pulls the information into Excel, so now I just have to refresh the workbook."

Expandable's Payton sees a direct correlation between finding a system that is native to Excel and increased efficiency. "For me, that bond to Excel is the #1 consideration. Accountants need a financial reporting solution that allows them to connect directly into their database, so that when they open their Excel spreadsheet to create a report it's populated with up-to-the minute data. With FRx or a non-Excel-based solution the information they pull from their database is static and may have been pulled 3 days prior, so the usefulness of any financial report is significantly compromised by the time it gets to the executives who base their business decisions on it."

## INTEGRATION TO APPLICATIONS OUTSIDE OF GL

Russ Carey believes that integration should be an overriding consideration for businesses evaluating financial reporting solutions. He points out that some applications, while robust on the financial side, lack adequate reporting capabilities.

FRx pulls data only from the GL, requiring users to leverage Excel to pull data from other areas if they want to expand their reporting. Carey suggests looking for reporting solutions that provide out-of-the-box integration, report writing and data analysis capabilities beyond GL to as many financial modules as possible - AR, Project Accounting, AP, Inventory, Sales Orders, etc.

The ease with which a financial reporting tool can be integrated to financial modules within their accounting or ERP packages is not the only integration-related factor for companies looking to replace FRx. Integration to third-party applications may be equally important. "One of our clients is an insurance company that has a billing module, and they like to do reporting off of that," says Carey. "The new reporting tool we chose to replace FRx actually provides them with the tool set that allows them or us to build integrations into other specialty applications. We couldn't do that with FRx or any other financial reporting product that I'm aware of."

## EXTENSIVE CHARTING, GRAPHING, DASHBOARDING CAPABILITIES

An intuitive reporting solution brings the accounting department's efficiency levels up even as it enhances accounting's ability to provide executives with higher quality, visual custom reports for decision-making. "It frees up folks to do more analysis rather than report writing," says Expandable's Payton. "I think the controllers and CFOs see that value; they get it. They love Excel, and they love the flexibility of being able to build custom reports on the fly so they can do their analysis."

Part of a financial reporting solution's role in enhancing the analytical value of reports is the ability it provides to supplement raw data with explanatory charts and graphs. With today's vast amount of information, data visualization is essential to decision makers to identify key trends/issues. "More business owners and managers are wanting flash reports where everything is on one page, and a picture says a thousand words," says Williamson. "With FRx, a row is a row and a column is a column throughout the entire report; it doesn't support a multi-component page, meaning you can't have numbers at the top, a graph in the middle and more numbers at the bottom. So I think that's the beauty of going with a highly visual, Excel-based financial reporting tool that gives you the ability to insert charts and graphs - you can present very granular analytical data on a single page."

## AUTOMATED REPORT DISTRIBUTION/ALERTING

In today's competitive environment, it is critical to get actionable information/alerts to decision makers in the formats (ie. Excel, pdf) via the methods (i.e. email, smart phone) they prefer as quickly as possible.

While some small companies may not have extensive distribution requirements, many organizations need this ability to share reports with a number of managers and decision-makers throughout the business. Once set up, a reporting solution, with a single click, should automatically generate and distribute entire workbooks or designated worksheets tailored to individual recipients.

## PRICE-TOTAL COST OF OWNERSHIP

Most would agree; a reporting solution's cost, while obviously important, is secondary to the capabilities it provides and the business benefits it delivers. TCO is largely a function of the time and expense required for implementation and system management - both of which are greatly mitigated with the selection of a 100% Excel-based solution - and must be balanced against efficiency gains.

Russ Carey cautions against making cost the #1 consideration, but suggests that businesses look at the total cost of whatever solution they are considering, including initial price, implementation cost, training, report build out/conversion, etc.

## IS THE SOLUTION BUILT FOR FUTURE NEEDS?

No business operates in a vacuum. Not only do businesses grow and evolve, so do their reporting requirements and the responsibilities they place on their users. Technology evolves as well, and businesses need to ensure that their reporting solution gives them the ability to keep pace.

"I think controllers are getting more and more sophisticated, so eventually a static solution will reach a point where it is just not good enough," say Russ Carey. "Small company or large, operational requirements are getting more complex all the time, and for a reporting system to remain viable it has to scale with that company - not only handling the sheer volume of data, but the complexities of their reporting environment. It needs to deliver and contextualize increasing amounts of data and should be flexible enough to satisfy the universe of users within the organization - all while leveraging the latest technologies."

## IN SUMMARY

As much of a disruption to the status-quo as the death of FRx may be, many businesses have long realized that FRx simply falls short in most of the areas so critical to today's businesses, making FRx's discontinuation a great opportunity for upgrading their reporting and analytic capabilities.

Companies are going to have to make an investment in new reporting technologies and should take this opportunity to upgrade to the latest reporting technologies. "The true bottom line," Carey summarizes, "Is that the decision to terminate FRx has opened the doors for other packages that really are better than what FRx has to offer."

BizNet Software has a full range of reporting applications that meet the needs of businesses of all sizes. It's business reporting and analysis solutions have been recognized by users, analysts, resellers, and software vendors as the next generation reporting standard. BizNet solutions were built with the assistance of former FRx professionals and have been filling the FRx reporting gaps for several years.

Take a demonstration today at [www.biznetsoftware.com/demo](http://www.biznetsoftware.com/demo).

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