Bridging the Gap: Why Your Accounting System & Your Service Management Program Should Work Together
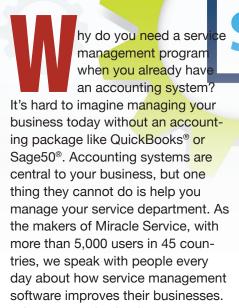
By Robert Sombach

Why do you need a service management program when you already have an accounting system? It's hard to imagine managing your business today without an accounting package like QuickBooks® or Sage50®. Accounting systems are central to your business, but one thing they cannot do is help you manage your service department. As the makers of Miracle Service, with more than 5,000 users in 45 countries, we speak with people every day about how service management software improves their businesses.

As your service business grows and you add customers, service technicians, employees, inventory and scales to service and calibrate, everyday business becomes more complicated. Naturally you'll turn to your accounting system and try to pull the information from it that you need to run your business. Inventory can become very difficult to manage. Your technicians may have car stock, and the almost daily ritual of adding, removing and ordering becomes tedious—causing your accounting department to become overwhelmed with transactions. To alleviate this burden, companies often allow their operations staff direct access to the accounting system. This can add to your costs with incremental software licenses, but more importantly it can also represent a risk to your business by exposing your accounting system to non-accounting employees.

If your service business manages certificates and equipment inspection, your customers will need ready access to their certificates. You will need to build a system for timing recertification of the scales in the field. In addition, it becomes important to pinpoint which scales are requiring more periodic maintenance, and even predicting when some parts tend to fail and therefore should be replaced before they disrupt your customer's business—after all, that's what they contract you to do.

At a certain point you become a victim of your own success. More customers equal more transactions. Many accountants will turn to a trusted old friend to manage the process—Excel spreadsheets. Inventory and car stock can be managed on a spreadsheet. Certificate renewals can be managed on a spreadsheet. Service technicians can enter hours and parts for a service call on a spreadsheet and then send those to accounting for input. This approach solves the problem of exposing the accounting system to employees and it doesn't require an incremental investment in software licenses. However it also has the effect of doubling up your accounting time as data entry is often duplicated, by both the technician and your accounting staff. Errors can occur in any system, but doubling data entry and transcribing information from one system to another will cause additional errors. Tracking where those errors took place can be a tedious exercise. The more you grow the more this approach becomes unsustainable. Another concern is that the system is reliant on what we refer to as the "heroic employee." In order for it to work, employees must learn from their mistakes in data entry and workflow. If one of those employees leave, or you add another service technician, errors inevitably creep back into the process.

A good service management system should work alongside your existing accounting system. Service management software encompasses technician scheduling, equipment service, contract administration, certificate management and inventory all in one system. It's often

important to consider that a service management system can manage information in **multiple dimensions**, whereas an Excel spreadsheet typically will look at information in only two dimensions. You can often take the data in a spreadsheet and plot it on a graph. A service management system can allow you to look at multiple data points at the same time. How does this help your business?

Consider a common scale model that you service for your clients. If we have all of these scales in our database, we can review the service history of each one. We can catalog the devices from when they have been installed and when they have received service. We can then determine if some service becomes predictable at a certain age or usage threshold. Some parts become so commonly used that you begin to know more precisely what inventory a service technician needs to have

on hand. A better inventory management system means you keep only the parts you use most often. You could try to do this within Excel but it would require a lot of keystrokes!

If we follow this example further, when the service technician completes a task, they would then enter required information such as time and materials used into the service management software. Once the ticket is closed, the information is then uploaded into your accounting system. The machine is associated with a customer, and not only is the client invoiced automatically, the service history is recorded, and any parts used can be removed from inventory, and if necessary, replenished.

There is a pub in England that has a sign over the cash register. It says: "We made a deal with the bank. We don't cash checks, and they don't make fish and chips." Understanding

what your core competency is and focusing on being the best at it is a recipe for certain success. The same is true for software and employees. Accounting systems are great, but when they are stretched beyond their capabilities they can cause problems. Service technicians can also cause problems when we ask them to become accountants. So is it time for your business to consider a service management system?

About the Author

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