

## Guide: Software applications in small business

One of the most important things for a small business is to have the right software in place.

Buying software is no longer as simple as it used to be. As well as the standard option of simply purchasing a computer with the software pre-loaded, there are also many other software types available.

### Software families

Many businesses may require a combination of systems. For example, a large sales business which looks after its own advertising may need an office suite, point of sale software and a design suite.

#### *Office suites*

An office suite is a collection of software designed for email, word processing presentations and spreadsheets.

The most commonly used office suite for Windows is Microsoft Office and this is generally pre-installed on computers, with the option to purchase a licence after a 30 day trial period.

Licences are available online or from retailers, and have costs attached.

Apple Mac users also have the choice of iWork, Apple's mac-only office suite, as well as Microsoft Office for Mac.

One suite which is becoming more popular is the open source suite OpenOffice.

All of these suites include word processing, spreadsheet and presentation software.

Most office suites also include integrated email functionality.

#### *Design suites*

A design suite is a collection of software for design purposes, desktop publishing and web design.

The most commonly used design software for desktop publishing and graphic design is Adobe Creative Suite which has different packages depending on whether it is destined for print or web media.

#### *CAD*

A CAD system is a Computer Aided Design suite used by architects, interior designers, surveyors, engineers and the list goes on.

Most CAD systems are designed for a specific need, eg ArchiCAD for architects, CivilCAD for civil engineers.

These programs are absolutely essential to industries that rely heavily on plans and line drawings or engineering specs.

There are also free solutions such as Google SketchUp.

#### *CRM*

A CRM system is software designed to manage contacts and sales opportunities.

These customer relationship management systems are absolutely integral to a sales business and there are many generic and specialist solutions available.

#### *Accounting*

Accounting software is key to any business and generally includes debtor and creditor management, invoicing and GST.

There is a large number of small business accounting packages available for Windows computers. Your accountant can recommend the best solution for your business.

There are fewer options for Mac users, many of whom prefer Xero's cloud solution.

### ***Point of sale***

Point of sale software is designed for retail and wholesale and generally includes database and stock management.

These software solutions are often industry specific depending on whether they are for retail, wholesale, food service or hire businesses.

### ***Specialist software***

Many types of businesses have specialist software available to them. Before investing in generic software, search the internet for solutions and ask your industry peers.

### ***Anti-virus software***

Anti-virus software is essential to any small business.

This software will scan incoming emails, email attachments and websites for malware (malicious software) and viruses.

There are many different types of anti-virus software available online such as Norton, TrendMicro and Avast! among many many others.

## **Software types**

### ***Freeware***

Freeware is software which is essentially free but often restricted.

For example, a free version may have limited functions, advertising or watermarks.

Much freeware is restricted to personal use and cannot be used in small businesses, however there are some.

### ***Open source***

Open source software (OSS) is software that has been created collaboratively and allows users to further develop it by providing the source code.

What this means is that OSS is generally free. Much like freeware, OSS is often used as a platform to sell the user higher-spec software.

Examples of OSS:

- Mozilla Firefox (internet browser)
- OpenOffice (office suite) [www.openoffice.org](http://www.openoffice.org)
- Open Document (Microsoft Office document format)

Open source office software is a viable and economical option for small businesses; however you need to be aware that a business using an OSS suite like OpenOffice may run into trouble when trying to exchange documents with businesses using Microsoft Office.

### ***Proprietary software***

Proprietary software is software that is owned by an individual or a company (usually the one that developed it). There are almost always major restrictions on its use, and its source code is almost always kept secret.

### ***Software as a service***

Software as a service is a term given to web-based (cloud) software which is paid month by month.

There is a wide variety of software as a service available, some of it software you may subscribe to for a limited time, for example SurveyMonkey which you may only use for a few months.

Some software you may use for an undetermined length of time, such as Xero accounting software.

Most of these types of software have policies where you can downgrade or cancel with a month's notice or less.

This sort of a plan can be very good where cash flow is an issue, or if you do not have a larger server.

## ***Operating system***

An operating system (OS) is the software which drives the computer.

For most PC users this is Microsoft Windows and comes pre-loaded on the computer when it is purchased.

For Mac users this is MacOS which also comes with the computer. Mac users can choose to install Windows if they prefer, using a programme called BootCamp which comes with their Mac, but it is tricky for a novice and may not be necessary.

Operating systems can be upgraded without having to upgrade the computer itself.

## **Cloud computing**

Cloud computing is where a business subscribes to some or all of its software as a service. There are many benefits to working in the cloud, as well as a few drawbacks.

Cloud computing has three main characteristics:

- Subscription based — cloud software is typically sold on demand, by month, week, day, hour or minute
- Elastic — cloud software is often able to be customised so that you use as many or as few features as you need
- Provider-managed — this type of software is typically managed by the provider meaning there are no updates or patches to be run on the user's computer

## ***The 'Cloud'***

The 'cloud' is the slang name for the undetermined area that cloud software lives in.

This term came from the mind-map style diagram generally used to depict the internet.

## ***Devices***

A major benefit of cloud computing is that you can run the software from almost any device with internet access. This can include:

- Your desktop PC
- Your laptop
- Someone else's computer
- Internet café
- Smartphones and tablets

This guarantees flexibility and access from anywhere in the world with an internet connection.

## ***Installed interface***

Some cloud solutions include an interface installed on your computer to ensure you can access offline files. This is generally referred to as the 'client'.

A good example of this is Dropbox document storage where you can edit the files on your computer and when you are next connected to the internet they automatically update in all locations (ie smartphone, tablet, laptop and PC) if they too are connected to the internet.

## ***No IT contracts***

Another major benefit of cloud software is that it is always up to date as of the latest release. You never need to run updates except for on any installed interface software (the client).

Cloud users also enjoy the absence of an 'IT Guy', as cloud computing is generally more robust because it is kept so up to date.

if support is needed, most cloud software companies have a support department waiting to help.

### ***Off-site storage***

Cloud solutions are particularly favourable where off-site storage is desired. This is useful for many reasons, for example:

- No server required, only a PC or other device
- Risk management in case of fire, theft or natural disaster
- Backing up data off-site

### ***Add-ons***

Cloud solutions often have 'add-ons' available for specialist purposes. These are often done as clip-in modules which are made available for an extra fee.

For example, popular cloud accounting software Xero ([www.xero.com](http://www.xero.com)) also has add-ons available for:

- Payroll
- Inventory
- CRM
- Job Tracking
- E-commerce
- Time tracking
- Point of Sale
- PayPal

This means that a business can have a fully integrated software suite without major up-front costs, which retains the flexibility and benefits of software as a service.

Services such as this one generally work on a price per user per month basis.

### ***Microsoft Office 365***

Microsoft also offers a complete office software suite as a service. This is an excellent choice for small businesses concerned about set-up costs.

Office 365 starts from around \$10 per user, per month, so for a 1–10 person business it is extremely economical.

Office 365 software includes the full Office Professional suite and Microsoft exchange, removing the need for a small business server or exchange server.

### ***Benefits of cloud computing***

- **Cost.** Cloud computing can save money for smaller businesses, both on hardware, software and ongoing maintenance.
- **Collaboration.** Users can work together on the same projects and set of documents or accounts from anywhere in the world.
- **Flexibility.** Ability to move documents between, or work on them from different devices is a real advantage.
- **Cutting edge.** Users are virtually guaranteed the latest software without having to run major

updates or pay for upgrades.

### ***The downside to cloud computing***

- **Internet.** You must have a good, reliable internet connection to get the most out of the cloud. Dial-up and satellite broadband users may have problems. Also, if your internet's down and the programme is completely web based, ie has no 'client' installed, you will not have access to the programme.
- **Service outage.** Much like the internet, the service provider itself may have an outage. This is also a concern, as most 'maintenance' periods are scheduled to avoid the northern hemisphere working day — ie they are right in the middle of ours.
- **Security.** Many people have very real concerns about security, especially hacking, when all their data is on the internet. There are good reasons for this — Google's cloud email system Gmail has been hacked multiple times. However, most cloud solutions have military-grade security and any instance of hacking is very rare in the grand scheme of things. A normal server-based system would probably be easier to hack into.

## **Software guide**

### ***Open source software available***

- Office: OpenOffice.Org
- Design: OpenOffice Draw
- CAD: Google Sketchup
- CRM: FreeCRM.com
- Accounting: Ledger, GNUCash
- Point of sale: Cash Register, FreePOS
- Anti-virus software: AVG, Avast!, Avira

### ***Proprietary software available (PC)***

- Office: Microsoft Office
- Design: Adobe Creative Suite, CorelDraw
- CAD: Google Sketchup pro, industry specific CAD programmes
- CRM: Sage, Microsoft CRM, Salesforce
- Accounting: MYOB, Quicken
- Point of sale: Counter intelligence, industry specific POS systems
- Anti-virus software: Much available

### ***Proprietary software available (Mac)***

- Office: Microsoft Office or iWork
- Design: Adobe Creative Suite
- CAD: Google Sketchup pro, industry specific CAD programmes
- CRM: Elements CRM, Daylite
- Accounting: MYOB, Quicken
- Point of sale: Checkout, Lightspeed POS
- Anti-virus software: Norton, McAfee, Kaspersky

## **Software as a service**

- Office: Microsoft Office 365
- CRM: Capsule, CommuniGator
- Accounting: Xero
- Point of sale: Vend

## **Operating system**

- Windows
- Mac OS (for Mac only)
- Linux

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