4 Steps to Select a Fixed Asset Management & Depreciation Solution

By Matthew P. Kennedy

Managing the complex and ever-changing calculations for the depreciation and amortization of assets is a difficult challenge. Finding the best solution among all the fixed asset software products available on the market today can be equally complicated. Each product offers a wide variety of features and the purpose of this document is to help you with the challenges of software evaluation.

Selecting the right package for your organization has to be based on the unique needs of your company. **First**, define and prioritize the requirements of a fixed asset software package to meet these needs. **Second,** evaluate how each product measures against your requirements. **Third,** perform a test drive which allows you to try various features and ensure the software is a good fit. And **finally**, make your purchasing decision.

Step 1: Define Your Requirements

Begin developing your selection criteria by establishing the requirements that are appropriate for the evaluation. Determining the appropriate selection criteria involves analyzing current system requirements to determine their applicability and generating any new requirements specific to the use of the fixed asset software.

In order to determine the requirements, review your current fixed asset system or spreadsheet(s):

1. How many assets are you currently tracking?
2. How many assets will you be adding by month/year?
3. What depreciation methods and conventions do you use?
4. Do you need to summarize groups of assets?
5. What reports are you currently generating?
6. Do you need to track multiple companies?
7. Do you need to exchange data with other systems?
8. Are there any unique functions or features in your present package?
9. Do you need a security module to limit access?
10. How much are you willing to spend for a fixed asset solution?

About the Author:
Matthew Kennedy has analyzed, developed and tested software applications for over 20 years. Matthew has worked with clients in every industry and ranging in size from Fortune 100 to small emerging companies.

Start by analyzing your current processing to establish requirements

Step 2: Measure Potential Solutions

An essential part of such an undertaking is evaluating the commercial products that are available to determine their suitability for use in your company. Virtually all organizations perform an evaluation of fixed asset software products before using them, but still some projects fail. It is critically important that the features of the system match your unique requirements. You can use the comparison chart in this document to make notes on each package.

Conversion Flexibility, Software Help & Support

1. After you determine the number of assets in your current system, look at how to extract this information for conversion to another system. Analyze the **DATA CONVERSION** capabilities of each potential package to make sure they can handle your existing data. Call the technical support department and ask them the steps involved to import your data into their system.

Asset Entry Customization, Automation & Error Checking

2. Next compare the **ASSET ENTRY** form(s) of each system. How many pieces of information are required to enter a new asset? Does the entry form automate entry by populating some fields based on G/L or Class codes? Are there master list (drop down) selections available for your key fields? Can you easily customize (labels, field size, data type, etc.) the asset entry form to meet your specific requirements? Are new entries checked for accuracy and appropriate warning messages displayed when there are errors? Can new assets be entered into a spreadsheet and then added through an import module?

Methods & Conventions, calculations for different periods

3. Does the potential system support all the **DEPRECIATION METHODS** (MACRS, SL, etc.) and first year conventions (Mid-Month, Half-Year, etc.) that you need? Does the software require a "hard close" at month end or will it allow you to calculate results for any period "on-the-fly"? Can the system handle all the diverse tax requirements?

Asset Filtering/ Sorting capability

4. A standard asset entry form will allow you to maintain one asset at a time. Some systems will also allow you to **VIEW MULTIPLE ASSETS** in a spreadsheet like format. If the system offers a multiple asset view, compare the ease of use in defining a group. Can you select which fields are displayed and the column order of the fields? Can you filter the asset selection on multiple conditions with both and/or logic? Can you sort the results? Can you easily export the detail information to a spreadsheet?

*Standard &
Custom Report
writer availability*

5.   Do the standard reports meet all of your current **REPORTING** requirements? What additional reports are available? Can you easily select a sub-set of assets? Can you easily sort, group and sub-total in the standard reports? Can the reports be exported to a spreadsheet? Is there a custom report writer available?

*Multiple
Database/Client*

6.   Does the software allow you to store **MULTIPLE COMPANIES** in a single database or do you need a separate database for each?

*Data Exchange
flexibility*

7.   Can the software easily **EXCHANGE DATA** with other systems? If you need a monthly journal entry of your depreciation calculations to your General Ledger, can the software produce the required format?

*Features like: CIP,
445, G/L Interface,
Barcode Inventory*

8.   What kind of **OPTIONAL FEATURES** are available? Does your company utilize a 445 month closing calendar? Do you need Construction in Progress to track acquisitions before they are placed in service? Do you need to utilize a bar code reader to perform a physical inventory of your existing assets?

*Security Access,
Limitations,
Restrictions,
Rights & Groups*

9.   If you have different types of users, you will need **SECURITY** for the system. This will allow a system administrator to create different user roles and limit access to certain features and functions in the system. Does the system have a security module? What is the login procedure? Can you restrict access only at the form level, or can rights be set down to the field level? Can you create groups of users with similar security roles?

Price & Value

10. Most of the fixed asset systems fall into one of three **PRICE** categories: inexpensive off-the-shelf, high priced modules of an ERP system and medium priced best of breed applications. The best of breed fixed asset solutions offer good value since they specialize in solving depreciation problems. When presenting to management, it is also important to calculate your Return ON Investment (ROI). For assistance, read my white paper "Calculating ROI for a fixed asset software package".

Comparison Chart

	Software 1: Bassets Fixed Asset System	Software 2: _____	Software 3: _____
1. Data Conversion	NOTE:	NOTE:	NOTE:
No. of Assets			
Technical Support			
2. Asset Entry	NOTE:	NOTE:	NOTE:
Steps to Add an asset			
Automated Entry			
Master Lists			
Error Checking			
Import from Spreadsheet			
3. Depreciation Methods	NOTE:	NOTE:	NOTE:
First Year Conventions			
Hard Close			

	Software 1: Bassets Fixed Asset System	Software 2: _____	Software 3: _____
4. Multiple Asset View	NOTE:	NOTE:	NOTE:
Field Selection			
Field Order			
And/Or Filtering			
Sort Results			
Export to Spreadsheet			
5. Reporting	NOTE:	NOTE:	NOTE:
Additional Reports			
Select Sub-set			
Sort			
Group			
Sub-total			
Export to Spreadsheet			
Custom Report Writer			
6. Multiple Companies	NOTE:	NOTE:	NOTE:

	Software 1: Bassets Fixed Asset System	Software 2: _____	Software 3: _____
7. Data Exchange	NOTE:	NOTE:	NOTE:
G/L Export			
8. Optional Features	NOTE:	NOTE:	NOTE:
445 Calendar			
Construction In Progress			
Barcode Inventory			
9. Security	NOTE:	NOTE:	NOTE:
Login Procedure			
Restrict at Field Level			
Groups of Users			
10. Cost / Pricing	NOTE:	NOTE:	NOTE:
Base Package + Options			
Number of Users			
Annual Maintenance			
Five Year Cost			

Step 3: Test Drive Product Demos

Once you have narrowed your selection to two or three products, you should take each for a test drive. The diagram below shows simple steps on how you can start your Test Drive.
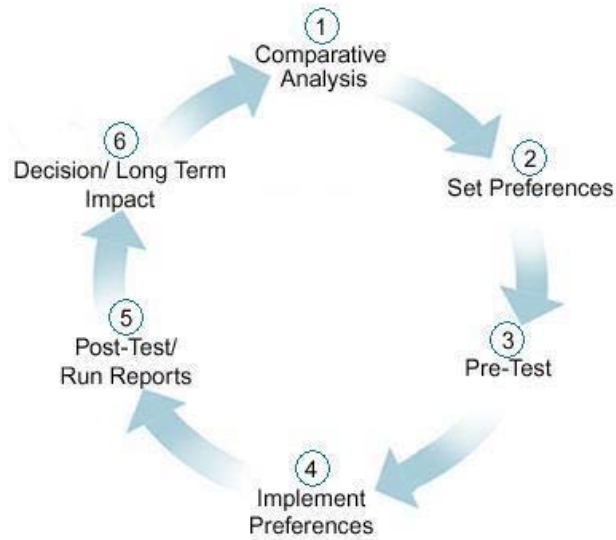
Most packages offer a demo copy of their software on a cd or as a download from their web site. Contact each vendor and put the package through its paces. This emphasizes a "hands-on" technique that allows you to collect results by actually running the different fixed asset packages using the same test data.

> ➢ Is the software easy to install?
> ➢ Compare the Tutorial, User's Guide and on-line Help of each package.
> ➢ Set your client preferences & try to configure some user definable fields
> ➢ Enter several test assets
> ➢ Run some sample calculations for different periods
> ➢ View multiple assets.
> ➢ Print & review the most important reports
> ➢ Export some data to Excel
> ➢ Look at any optional modules that you need.
> ➢ Try the security module.
> ➢ Call Technical Support and ask a few questions

Step 4: Compare & Analyze Your Results to Make Your Purchasing Decision

Now that you have actually tried the available software packages, you can make an educated purchasing decision. Go back over your notes in the comparison chart and rank the products. As this point, you should have a clear leading choice. If you are still undecided and find two packages very close, request proposals from the vendors and compare their pricing. Speak with the sales representatives and ask for references. As you go through the proposals and speak with references, one of the packages should emerge as the right fit for your company.

Why Choose the Bassets Fixed Asset System?

Bassets Fixed Asset Software is an easy to use Asset Management and depreciation software program that features superior performance and functionality. Bassets will allow you to calculate depreciation and generate fixed asset reports in less time.

Over the last decade, Bassets has become a leader in the stand-alone fixed asset software market. We deliver superior products based upon the comments and needs of our customers combined with the latest programming technology and our close attention to detail.

Bassets' expertise lies in delivering the highest value, integrated software solutions for accounting professionals in every industry. Our goal is to create powerful solutions that are simple to use. We offer our software at a reasonable price and backed by our outstanding customer service.

See for yourself by joining the growing number of Bassets users. Try a free evaluation copy today at www.bassets.net and see how you can simplify your asset management.

Bassets
FIXED ASSET SYSTEM
P.O BOX 665
RAMSEY, NJ 07446
Tel No. 201-995-9500
www.bassets.net