

How to Select the Right Reseller

Being an Accounting Software Consultant for the past 12 years, I have seen what happens when a company chooses the wrong reseller. Many times the software itself is a right solution, but was implemented wrong. I have received many “orphans” over the years. Orphans have one reseller implement the product and then realize their incompetence and switch to another reseller to correct the mistakes and maintain future support. This can be costly and frustrating. A mistake that many businesses make is thinking that reseller will be in and out – install the software and disappear. The complete opposite is true. You will rely on this reseller for configuration, training, upgrades, enhancements, advice on different modules and most importantly support and troubleshooting.

J. Carlton Collins list specific reseller selection criteria for mid-range software:

- At least three experienced consultants on staff, with at least two years of experience each.
- All consultants trained and certified and in good standing with the vendor.
- All consultants receive annual training, as evidenced by certificates of completion.
- At least one support person dedicated full time.
- At least 35 customer implementations under their belt.
- At least three customer references who check out fine.
- Vendor reference that checks out fine.
- Evidence of a sustained marketing program (this is a good indicator the reseller is doing things right).
- Attendance of vendor's annual conference by at least one consultant.
- Physical inspection of facilities meets expectations.
- Background check with the U.S. Better Business Bureau is positive.
- Background check with your CPA, or a local CPA, is positive.
- Background check with credit bureau is positive.
- Reseller is able to demonstrate availability of time to meet your needs.

Some other notes to keep in mind:

1. **Referral sources.** There are many different places to find accounting software resellers. I wouldn't rely on one specific source, however use all of the sources to start your search. Referrals from software vendors are a good start, but not necessarily your best option. Some vendors simply refer a reseller that is next on their list. The web and Yellow Pages are a good source for identifying the local resellers in your area, but do not help you distinguish dependable resellers from undependable ones. Reseller Web sites are a better source for reseller names, and many Web sites list awards and other credentials that can be helpful-assuming the Web site content is accurate. Word of mouth referrals are a good source. Be careful of web-based referral sources. Many of these sites charge fees to resellers (with no selection criteria) and give them the leads based on bidding or industry points allocation.

2. **Which Consultants are doing the implementation?**

Ask your reseller to provide you with a list of names of those employees who will be implementing your system and working on your job. The assignment of staff is important as well because you want to make sure that your job is staffed with seasoned employees who know what they are doing, not inexperienced staff who bring little benefit to your job or be training on your dime and implementation. Make sure that you check references on the staff who are assigned to your job from past implementations and clients. The most important step you should take is to check references. If the reseller can give you at least three good references that say good things about them, the product and the reseller staff, that's good. If they can't meet this simple requirement, continue your search. Key questions to ask include:

1. Did XYZ Reseller install your system on time and on budget? If not, explain.
2. Were you pleased with XYZ Reseller? Would you use this reseller again?
3. Which staff members were involved on your job, and can you please rate each?
4. Are you pleased with the accounting system?

3. **Know the typical fees.**

Many first time purchasers of accounting software encounter severe sticker shock regarding the cost of implementing accounting software systems. The cost of implementing a midmarket to high-end accounting software system will typically range from 1:1 to 2:1 compared to the cost of the software. In smaller cities and rural areas of the United States, such as Rome, Georgia or Birmingham, Alabama, the range is typically 1:1. In larger cities such as Atlanta, Georgia or Dallas, Texas, the range is typically 1.5:1. In the largest cities, such as Boston, New York City, and San Francisco, you should expect to pay closer to 2:1. For example, if you purchase \$25,000 worth of software, you could expect to pay \$25,000, \$37,500, and \$50,000 in implementation fees in Birmingham, Atlanta, and New York City respectively. Remember, this is just a rule of thumb, and the difference in these implementation costs mostly reflects higher building rent and higher labor costs.

Conclusion

Selecting the right reseller is critical to a successful implementation. The skill set needed to make a modem, hub, or printer work is not necessarily the same skill set needed to be a good systems implementer. Since 90 percent of an implementation involves training your people, look for resellers that are patient, personable, and respectful of you and your staff. Do your homework and always check references. Secure dates and anticipated milestones in writing before signing on the dotted line. Pay your reseller as work progresses; never pay too far in front of the work to be performed.

Portions of this article are from J. Carlton Collins, CPA. J. Carlton Collins, CPA, president of ASA Research, LLC, is an independent author, lecturer, and analyst in the accounting systems industry. He has installed more than 200 accounting systems and delivered 1,800 lectures around the world on the subject of accounting systems and technology.