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NEWSLETTER for Sage BusinessWorks

Data Mining For Business Intelligence

Leveraging Sage BusinessWorks Data For Better Decision Making

Business intelligence is a term you hear a lot these days. No organization can afford to make bad business decisions due to lack of information. In this article we discuss the origins of business intelligence and provide an overview of the excellent business intelligence tools available in Sage BusinessWorks Accounting.

Business Intelligence Beginnings

According to Wikipedia, the term Business Intelligence was first used in 1958 by IBM researcher Hans Peter Luhn. He defined it as: "The ability to apprehend the interrelationships of presented facts in such a way as to guide action towards a desired goal." Luhn foresaw that computers could be used not only to collect and crunch numbers, but to provide analysis to support decision making.

In 1989 Howard Dresner proposed that the term business intelligence be used to describe: "Concepts and methods to improve business decision making by using fact-based support systems." This definition gained ground and by the late 1990s was in widespread use.

Business Intelligence (BI) refers to computer-based techniques used to find and analyze business data, such as sales revenue by products or departments or associated costs and income. All businesses have a wealth of untapped information. The trick is to locate relevant information quickly and easily, then summarize and analyze it to obtain predictive views of business operations that support better decision making.

Sage BusinessWorks BI Tools

Sage BusinessWorks contains a number of tools you can use to mine business information from your system so you can make better informed decisions. The tools include Business Graphics, Flash Reports, Custom Worksheets, and the new reporting system added in Sage BusinessWorks 2010. Here we cover the benefits of each tool to help you select the tools that best meet your needs.

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Data Mining For Business Intelligence

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Business Graphics

To get a quick grasp of the big picture, there is nothing like a pie chart or bar graph to let you know where you stand. The Business Graphics found throughout the Sage BusinessWorks system give you just that. In Accounts Receivable, a pie chart quickly can show you the percentage of your total receivables that are past due. This is an important predictor of cash flow, so you will want to monitor it closely. In General Ledger, you can view a bar chart of your current ratios, another important metric for business solvency. You can check how your ratio compares with others in your industry at: http://www.bizstats.com.

Custom Worksheets

If you analyze your data in Microsoft Excel, the Sage BusinessWorks Custom Office module includes the Custom Worksheets feature. An intuitive, built-in Wizard automatically extracts your selected accounting data and places it into your custom worksheet in Excel. The custom worksheets can compile data from multiple modules so you can, for example, pull data from Inventory Control, Order Entry, and Accounts Receivable to create a comprehensive product sales analysis. You also can combine data from multiple companies into a single Excel workbook to perform multi-company consolidations. Once in Excel, you can perform additional calculations and insert graphs or charts. As you perform these steps, you can record a macro so that you can perform these same steps automatically when exporting future custom worksheets.

Flash Reports

Flash reports in each Sage BusinessWorks module summarize your data in just about any way you can imagine. For example, the Accounts Receivable flash report includes year-to-date and month-to-date sales, and aging data. You also can see quickly what your sales tax liability is for the month, which customers are most delinquent in making payments, and your monthly sales totals for a rolling 12-month period.

New Reporting System In Sage BusinessWorks 2010

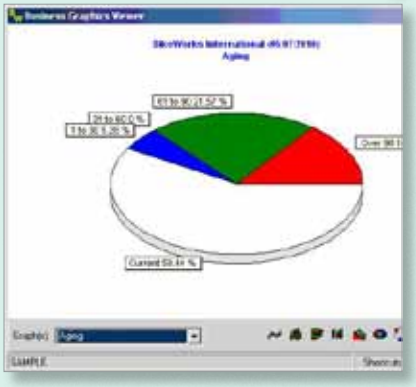
The new reporting system in Sage BusinessWorks 2010 is even more flexible and powerful, yet it is easy-to-use. It is based on existing Custom Reports capabilities, so you will start with a level of familiarity in using the system. Custom reports now can be built from any table or field in Sage BusinessWorks. Existing reports are being rebuilt using the new system, so you can go into a standard report and make the changes you need to it without starting from scratch.

Standard reports built with the new report writer give you the ability to drill down to the details of a transaction, and also add new drill downs. Seeing an unexpected number on a report may cause you to want to see the details behind the total. Now, you can drill down to the source quickly and take action if needed.

In the Sage BusinessWorks 2010 reporting system, there are three levels of customization to give you the flexibility to work with the level you need. The levels are:

- **Quick Reports**—This simplest level of customization allows you to add new fields to an existing report, remove a field that you do not need, or reorganize fields on the page. You also can make changes to the filter or the sort options and save these changes for reuse. Quick Reports can be imported into Excel exactly as seen on the screen.
- **Comprehensive Reports**—Add calculated fields or columns to a report, perhaps adding a percent of the total, or including a new field that you added in a calculation. At this level you also can add your own drill-downs.
- **SQL Report Programming**—A professional trained in SQL programming can build advanced logic into your reports using SQL statements. This level is accessed from within the Comprehensive Reports option, and works in tandem with the Custom Office module.

ZOOM IN



This pie chart view in Business Graphics shows the percentage of receivables past due in each aging category.

With Sage BusinessWorks 2010, each module has a minimum of two standard reports built in the new reporting system. You can use these as a basis to create virtually unlimited custom reports.

Please give us a call for assistance putting together the perfect selection of reports and charts you need to help you run your business more effectively.

New Credit Card Processing Regulations

Credit card fraud has been a serious issue for some time now, fueled in part by the high volume of Web-based credit card transactions. According to the Privacy Rights Clearinghouse, more than 100 million records containing sensitive information have been exposed to theft since 2005. The targets are not only large organizations; in fact, smaller organizations with less stringent security measures in place are easier targets. Thieves concentrate on breaking into databases that store a large number of credit card transactions, such as a businesses' accounting system.

To safeguard sensitive information, all organizations processing credit card data, must comply with the new Payment Card Industry Data Security Standard (PCI DSS), or risk being fined by their credit card processor. Here we provide a brief overview of the PCI DSS requirements.

Dos And Don'ts Of Data Storage

You can store the primary account number, the cardholder name, and expiration date, but this information must be protected in compliance with the PCI DSS requirements below. You may not store the three-digit code on the back of the card or the full magnetic stripe data or PIN information for debit cards.

12 PCI DSS Requirements

All businesses processing credit cards are required to comply to the 12 components of PCI DSS requirements below:

1. Install and maintain a firewall configuration to protect cardholder data. The firewall must control the computer traffic between a company's internal network and untrusted external networks. It must examine all network traffic and block transmissions that do not meet security criteria — whether

entering the system by way of: the Internet as e-commerce; employee access through desktop browsers and e-mail; dedicated connections; or wireless networks.

2. Do not use vendor-supplied defaults for system passwords and other security parameters. Use strong system passwords.
3. Protect stored cardholder data using programming methods such as encryption, truncation, masking, and hashing. The encryption algorithms that must be used are very specific. Sage BusinessWorks version 2010 includes credit card encryption algorithms that meet the PCI DSS standards.
4. Encrypt transmission of cardholder data across open, public networks.
5. Use and regularly update anti-virus software.
6. Develop and maintain secure systems and applications. When a software vendor, such as Microsoft, issues a security patch, it must be installed promptly.
7. Restrict access to cardholder data to those who need it to complete their job responsibilities.
8. Assign a unique ID to each person with access to your computer or network.
9. Secure hard copies of credit card information in a restricted access location.
10. Track and monitor all access to network resources and cardholder data. You must log user activities so you can detect and track down the cause of a possible data compromise.
11. Test your security systems and processes on a regular basis.
12. Maintain a policy that addresses information security. A written company policy fosters employee awareness of their responsibilities for protecting credit card information.

PCI DSS And Sage Businessworks

In addition to the 12 PCI DSS requirements, you also should periodically review stored data and remove data that is no longer needed.

If you store credit card information in Sage BusinessWorks, consider upgrading to Version 2010 to ensure that your credit card information is properly encrypted. If you are unsure of your compliance with any of the other standards, please give us a call.

((Tips & Tricks))

Modifying Tax Table Allowances, Limits, And Rates

1. Open Payroll / Taxes / Maintain Tax Tables.
2. Click the **Lookup** button, and select the desired state, or select **U.S.** for Federal.
3. Click the **Allowances, Limits and Rates** button.
4. Make edits to the tax table as desired, and click the **OK** button.

IN THE SPOTLIGHT:

How The New HIRE Act Can Help Your Business

The Hiring Incentives to Restore Employment (HIRE) Act was signed by the President on March 18, 2010. The Act provides hiring incentives to help restore some of the jobs lost in the latest economic recession and put Americans back to work as soon as possible. This new legislation includes tax benefits related to hiring employees and writing off investments in equipment that may help your company. Let's take a closer look.

Tax Incentive For Hiring

An important piece of the HIRE Act is a new tax incentive to encourage businesses to hire unemployed workers. The tax incentive includes both an exemption from payment of employer Social Security taxes and a tax credit of up to $1,000 per hired worker.

Qualifications For Tax Incentive

The Social Security tax exemption begins with wages paid after March 18, 2010, the date the bill was signed into law, and lasts until December 31, 2010. The new employee cannot replace other employees, and in order to qualify, an employee must provide a statement indicating they were unemployed 60 days before beginning work OR that they worked less than 40 hours total for someone else during the 60 days before beginning work. The IRS is developing a form that employees can use to provide the statement.

This reduced tax withholding will have no effect on the employee's future Social Security benefits. Keep in mind that you will still need to withhold the employee's share of Social Security taxes, income taxes, and employer and employee's shares of Medicare taxes.

Additional Tax Credit

If you retain workers hired under the Act for at least a year, your company can claim a tax credit of up to $1,000 per worker. You claim the credit on your 2010 income tax return. The worker must be employed for at least 52 consecutive weeks and the wages for the last 26 weeks must equal at least 80 percent of the wage for the first 26-week period.

Form 941 And The HIRE Act

Form 941 and 943 (for farm workers) have been revised. The Sage BusinessWorks Accounting 941 worksheet has been updated on the latest tax table update to reflect the changes, and the 941 form printed through the Print-N-Sign and eFiling options also have been updated.

Businesses that hire qualifying workers sooner rather than later will get the most out of the tax credits, as the tax credits diminish over time, disappearing completely by January 1, 2011.

Equipment Write Off

Another item of interest in the HIRE Act is an increase in the amount of equipment costs that small businesses can expense immediately instead of depreciating over years. The new maximum of $250,000 doubles the previously allowed amount of $125,000. This tax incentive is intended to help small businesses grow while stimulating the economy with their investment spending.

Give us a call if you have any questions about the impact of the HIRE Act on your Sage BusinessWorks software.

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