



Ten Critical Questions to Ask When Evaluating Back Office Software

A Google search for “back office software” returns 225,000 results, including hundreds of companies offering thousands of solutions in this area. The companies range from global giants to smaller companies – and there are thousands of consultants and Systems Integrators with their own opinions and offerings.

Given this explosion of solution providers, how can an organization make an intelligent decision on whom to trust with this mission critical system? And more importantly, given the unique requirements of competitive energy resellers, which solution and team will provide the expertise you need without trying to force-fit their applications to your business model?

ePsolutions offers this guide to help you along your path to a decision. Our hope, of course, is that ePsolutions will come out on top of your list – but even if we don't, we think these are critical questions to consider when choosing a partner for your back office solution.

1) Are you really getting a total solution?

It's important that you fully understand that to operate competitively in the deregulated energy market, you'll need both a full-featured EDI solution as well as an automated back-office software suite that handles your customer records, billing, customer acquisition and the myriad of automated details necessary to run an efficient company. Before you commit, be sure to have a thorough understanding of what the solution offering entails so it addresses every aspect you require to run your back office effectively.

2) How many vendors are truly involved in your back-office solution?

A number of vendors in the deregulated market today represent themselves as a single source provider of an integrated back-office solution. But, if you explore further, you will discover that they rely on partnerships between two or more vendors to provide the functionality you need for a complete back-office solution. When evaluating options, consider the benefits of having one vendor for every aspect of your solution. As a result, you will gain complete visibility and accountability with that vendor as you run your business.

3) If you plan to participate in the fast growing pre-paid market, how do you intend to do your billing?

Calculating deposits, closing new accounts, sending out accurate bills, truing up account balances and insuring accurate accounting in the prepaid market

have proven challenging. To be successful, it is important to spend time up front outlining your business processes and determining where you can take advantage of automation to streamline these processes.

4) How much will your back-office solution really cost?

There are two primary areas to consider when calculating the true cost of your back office system. The first is the cost of installation, set-up, any customization and the cost of running the system on a daily basis. Many providers use complicated formulas that have various minimum charges, per transaction charges, etc. which can become costly when you get into the nuts and bolts of how these charges add up each month.

The second area of cost involves the level of automation a system provides which directly translates into the number of people you'll need to hire. The more you can automate your business process, the more efficiently you can run your business - and do so with far fewer customer care, accounting and inside sales resources than those with less sophisticated systems. That means much lower fixed costs in your business and a far more competitive operation.

5) How much should you budget for IT people and systems?

IT costs can be one of the most significant investments for any transaction based service company. Between the hardware, software, custom program-

ming and security, costs often spiral out of control while your ability to meet the rapid changes demanded by this fast moving market lag. As part of your evaluation process, consider the hardware, software and personnel resources needed with the new solution and aim to keep these costs to a minimum by considering solution options which minimize the need for these additional costs.

6) Are you confident that your business processes are aligned with industry best practices?

The deregulated industry is young and changing rapidly. New concepts, regulations, and processes are emerging very rapidly. How can you be sure that your company remains competitive and up to date? Make sure the vendors you evaluate take part in keeping you on the cutting edge. Ask questions about how often the solution is updated? If a change in regulation occurs, how fast can those changes be implemented to ensure compliance? What resources and experience does the vendor bring to the table when it comes to your industry?

7) If you have a back-office system in place today, is it flexible enough?

If you have a legacy system in place, is it flexible enough to adapt to rapidly changing demands? When you need to make changes, how quickly and easily can that be done? This is important to consider as it can be a competitive advantage or disadvantage, depending on your answer.

8) Are you an aggressive marketer who needs a system that will help you grow?

Back office solutions can be a critical point of failure for fast growing companies. Too often, great marketing and selling are wasted as system resources are strained beyond their breaking point and growth

slows or stops altogether. You need a system to support and automate immediate reactions to new market and competitive conditions including; pricing, business terms, and special offers. You need a system that streamlines new customer quote to sign-up and allows you to quickly and effectively move new prospects onto your service. You need advanced marketing reporting that allow you to analyze what marketing investments are paying off. And you need sophisticated, multi-tier commission systems that allow you to utilize various types of sales and commission structures on the market. Make sure the vendor you choose can provide these capabilities and more.

9) Do you have flexible reporting supported by strong analytics and business intelligence?

Decision grade information is critical to running a successful business. Too often, managers and executives are forced to rely on a variety of “canned” reports that show information the way their provider or IT department think it should be, instead of the way managers need it. Make sure the solution you choose offers the power and flexibility of a true data warehouse and business analytics capability.

10) In the final analysis, do you view your back office automation system and people as fixed costs or as a competitive weapon?

In our experience, most companies unfortunately view it as a fixed cost or worse, an obstacle to growth and success. But it really can be a competitive weapon when done well. A back office solution has the potential to streamline and automate much of your activities- enabling you to respond quickly to market needs and customer requests all while reducing the time and costs associated with doing so. Ultimately, this can help you grow your bottom line.

This white paper was presented by ePsolutions, Inc.

ePsolutions delivers the industry's most fully integrated, automated, and cost effective back office solution on the market for competitive energy resellers. Combining the comprehensive emPower software with a knowledgeable team of experts, ePsolutions helps resellers substantially lower operating costs and free up resources to support other aspects of the business. Founded in 2004 and serving clients throughout Texas, it is a privately-held company backed by Peninsula Capital Management, Inc., Toreador Resources Corporation (Nasdaq:TRGL) and private investors. For more information, visit www.epsolutions.com. © 2007 ePsolutions, Inc. All rights reserved.

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