



E-Business and Sage Enterprise Suite

A Product Guide

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E-Business & Sage Enterprise Suite

A Product Guide

Introduction

The Sage Group provides business management solutions to more than 2,000,000 small and medium-sized organizations worldwide. Generating more than \$600 million of annual revenues, Sage is the market leader in the US, UK, France and Germany. Its U.S. brands, Peachtree, MAS 90 and Sage Enterprise Suite, are among the best known in the accounting software industry and Sage is at the forefront of helping businesses become Internet-enabled.

Our customers and prospects frequently ask Sage where their businesses fit into the Internet revolution and how they can participate. This white paper is intended to show how any company can become an E-Business and reap the benefits from this revolution.

If you're reading this paper, you already realize that your business needs to address the Internet, and, most likely, you understand that your business can become more productive, profitable and competitive by becoming an E-Business. This paper will help you move up the learning curve and begin to create the kind of E-Business you want to operate.

What is an E-Business?

An E-Business in its simplest terms is a business that is conducted over the Internet, a dramatically new interactive channel for connecting buyers and sellers. Sage puts it another way:

An E-Business is a business that has maximized its business efficiency by leveraging Internet-based applications and technology.

Many traditional businesses are familiar with the concept of leveraging technology to improve efficiency. Sage is already a leader in packaging sophisticated and complex technology in such a way that it is affordable and can be easily adopted by small and medium sized businesses seeking greater efficiency. Sage is maintaining this leadership by helping traditional businesses leverage the new Internet technology.

E-Business "Cube"

A simple way to pull together the different aspects of an E-Business is as the combination of three factors:



E-Commerce

This aspect of E-Business includes the interaction between a company and its partners. Commonly, this means a web site for customers, but increasingly, it includes electronic interaction with vendors and customers – an electronic supply chain. An E-Business uses the Internet to serve its partners more effectively.

E-Management

E-Management is the area of an E-Business that uses the Internet to manage the business operations better. This includes using software that leverages the Internet (providing credit reporting to accounting, for example) and using Internet technology to enhance the productivity of occasional internal users (allowing employees to access their HR information on-line).

Application Delivery

Finally, application delivery encompasses all aspects of the software implementation and management. An E-Business uses the Internet to lower the cost of ownership of the application software. In some cases, using “hosted” software provides a lower cost of ownership¹.

For further discussion on how to select E-Business software, please refer to Sage’s white paper “*E-Business Software – A Buyer’s Guide*”.

Sage and Your E-Business

A fast growing company, especially one that is becoming an e-business, quickly reaches the point where a very close fit between software function and business process is required. Since the business processes contain the unique competitive advantage of that business, it is something that no vendor’s product can match out-of-the-box.

¹ A hosted application is one where the computer system is maintained offsite by an Application Service Provider or ASP, and user access is gained through an internet connection to the ASP.

Sage Enterprise Suite, formerly Acuity Applications, is the high end product from Sage, and provides mid-sized companies (those with over \$20m in revenue) with the quality platform needed for e-business success. It provides accounting, distribution and e-commerce modules that are designed exclusively for Microsoft SQL Server and Windows 2000.

Most importantly, Sage Enterprise Suite is built specifically for customization and integration to other systems—including web applications. The ability to integrate was one of the original design goals, and manifests itself in the capability of integrating to non-Microsoft platforms. Unlike other accounting applications, Sage Enterprise Suite does not require Site Server to be used as the web platform.

This paper will discuss the benefit of using Sage Enterprise Suite as the platform for your e-business efforts.

Sage Enterprise Suite: E-Management

E-Management is made up of two general software groups: operational software, focused on full-time operators; and self-service software focused on occasional users.

Operational Modules

The operational modules available from Sage cover a wide range of functions. These include:

- General Ledger
- Accounts Receivable (including Billing)
- Accounts Payable
- Cash Management
- Advanced Consolidations
- Allocations
- Multi-Currency Management
- Fixed Assets
- Active Planner (Budgeting and Planning)
- Sales Order
- Purchase Order
- Inventory Management
- Inventory Replenishment
- Human Resources
- Payroll

These solutions cover all key operational requirements of an E-Business, and the applications are targeted at full-time, trained users. They require a streamlined interface that allows a trained user to be most productive. All of the products above are based on Microsoft SQL Server, and leverage Microsoft technology.

Operational solutions that integrate to Sage Enterprise Suite and are available from other vendors include:

- Manufacturing/Assembly
- Project Accounting
- Service Management
- Warehouse Management

Self-Service Functionality

Self-service functions are an area that promises dramatic efficiency improvements over the next few years. Using internet technology, Sage can build significant additional functionality into its products, allowing more of our customers' employees to benefit from their investments in technology.

In general, self-service functions are built into the appropriate operational modules. The following modules include functionality that facilitates employee self service:

- **Human Resources** – Provides browser-based access to view, update and enter data relating to the employee's specific role in the organization.
- **Purchase Order Requisitions** – The requisitions function within the standard PO module allows employees to request a purchase without having vendor information or other "specifics". Security is provided, to ensure that only approved requests are processed.
- **Planning & Budgeting** – Budgets always involve the whole organization, and this module provides tools that can be used by any manager to update and submit their budget. These tools are easy to use, and help budget owners revise the numbers without needing extensive training or experience.
- **Web Reports** – Provides browser-based access to many of the reports found in the Operational modules.

Where appropriate, third party applications also provide employee self-service applications. In particular, our project accounting partners provide self-service applications for Time and Expense Entry.

- **Time & Expense Entry** – Managing a project effectively requires up-to-the-minute information on expenses and time. This process can be dramatically streamlined through the use of web-based time & expense reporting tools.

Sage Enterprise Suite: E-Commerce

Expanding business application software to the electronic “visitor”² is the major growth area for e-business applications in the coming decade. This critical aspect of E-Business is already an area of strength for Sage Enterprise Suite, and will continue to be a focus for future product releases.

Customer Self-Service

A common e-business requirement is for a “ready-to-go” customer service center. In the “old” economy, a customer service center required that customers speak to an operator in order to place orders and get information. The “new” economy will shift much of this interaction to the web.

Ecustomer, a Sage Enterprise Suite module currently under development, is a business-to-business E-Commerce module that empowers your customers with self-service capabilities. The first release is focused on B2B situations, and so has a streamlined interface designed exclusively for the corporate purchasing manager.

For example, Single-Screen Shopping™ is a feature that ensures that large orders can be placed very quickly—on one page—rather than having to jump through many screens for each order. This is very significant, because purchasing managers prefer vendors that streamline order placement. If it takes less time to place an order through eCustomer, you will gain business at the expense of your competition.

² Visitors are customers, vendors, partners and prospects that visit your company electronically through your web site.



The module allows customers to access account information, change contact details, enter orders and review the product catalog. It is scheduled for release in September 2000. For more detailed information on this new module, please refer to the pre-release collateral.

Custom Web Applications

Many e-businesses (particularly B2C businesses) are building web sites that support their unique way of doing business. Rather than purchase a shrink-wrap product, the companies are choosing to invest in a web application that provides competitive differentiation (and, presumably, advantage!).

For those companies (often, “.com” companies), Sage Enterprise Suite provides a high quality foundation without dictating a development environment for the system. Legacy packages (such as accounting systems) usually specify that a particular platform be used for custom development (e.g. Site Server). This limitation prevents your custom web site from leveraging the latest technology, such as Oracle or Java.

Electronic Transactions

The internet revolution is causing many companies to explore the benefits of electronic interaction with customers and vendors. The main method for electronic business transactions today is EDI. Today, many Sage Enterprise Suite customers use EDI to interact with key vendors and suppliers, lowering transaction costs and improving efficiency.

In the “new” economy, however, this interaction is increasingly done through industry-focused “ehubs”, such as Chemdex, e-steel, farms.com and so on. This requires an e-business platform that can integrate to your specific ehub.

Many ehubs require Oracle, Unix or Java, and this technology can be used alongside Sage Enterprise Suite. In fact, Sage Enterprise Suite does not require that your company use a specific platform (such as Microsoft Site Server) in order to integrate your e-business into the new economy. This flexibility is critical given the fast-moving nature of the B2B space today.

Instead, Sage Enterprise Suite provides the direct programmatic hooks that allow your industry network to be plugged into the backoffice directly—ensuring that you can choose any platform such as Oracle, Unix, or Site Server as circumstances require.

Over time, the e-transaction interfaces will be expanded in range and depth. In the near future, Sage Professional Services will provide an XML-based interface that will consume XML documents into Sage Enterprise Suite. Other enhancements will be announced as they are scheduled.

Sage Enterprise Suite: Application Delivery

Software is only useful if users can access it and take advantage of it. The internet revolution is providing technology that can lower the cost of ownership for software applications. However it is important to be sure that the software is scalable and robust—otherwise it is useless.

Scalability

Sage Enterprise Suite was designed exclusively for Microsoft SQL Server. This allowed Sage to build the application in a way that leverages SQL Server to the full, and ensures maximum performance for customers. This includes the performance of key processes (such as processing shipments) as well as the ability to successfully manage large numbers of users on the system at once.

Preliminary benchmarks provide some examples of the scalability of Sage Enterprise Suite:

Operation	Single-User Processing³ Transactions/Hour	Multi-User Processing Transactions/Hour
General Ledger Journal Posting	360,000	2,769,230
Accounts Receivable Invoice Posting	43,373	248,275
Accounts Payable Voucher Posting	124,137	439,024
Sales Order Shipment Posting	47,368	133,333

Detailed benchmark information for Sage Enterprise 5.0 is available from Sage.

Server Location

Application Hosting is a software delivery model that has been gaining popularity in recent months. This term applies to a situation where the server machine is located offsite (on a “server farm” or with an Application Service Provider or ASP). The traditional alternative is to locate the server on-site, by purchasing a dedicated server and running the software locally.

The advantage of hosting is that the ASP can benefit from economies of scale when running servers for multiple companies. For example, ensuring a database administrator is available 24x7 to address server problems, etc.

Some ASPs will use one machine for several customers, whereas other ASPs require that customers purchase the server and simply locate it at the ASP site. All ASPs attempt to provide a higher level of service at a similar or lower cost than traditional in-house management.

There are, of course, many considerations when deciding to host your enterprise system. The most common objection to Application Hosting is that the company’s core data – accounting information, customer lists, and so on – is stored off-site and could therefore be a security risk to the company. Clearly the integrity of the ASP is critical if hosting is to be acceptable.

Sage Enterprise Suite can operate successfully in either model of server location. Most customers today run Sage Enterprise Suite on-site, but several customers have chosen to use an offsite “server farm” to run their Sage Enterprise Suite e-business system. Additionally, a large number of

³ Times recorded on Sage Enterprise Suite 5.0, inexpensive hardware, and large data set.

customers today deliver Sage Enterprise Suite to their remote corporate locations via the internet – an “internal” hosting model!

Financing

Some customers wish to pay for their Sage Enterprise Suite purchase over time, instead of up-front. This payment plan can be accommodated easily through leasing, and is entirely at the discretion of the customer. A monthly payment plan can be chosen, whether or not the product is located off-site. For more information on leasing options, please contact your Sage Enterprise Solution Provider.

Future Direction

Internet technology has facilitated a significant growth in electronic transactions of all kinds. Sage Enterprise Suite will provide electronic transaction functions in a variety of areas.

Embedded Functions

One area of significant value is the provision of functionality across the internet. In this situation, Sage Enterprise Suite will leverage applications through an internet connection to web sites, including sage.com. These functions will include:

- Credit checking
- Credit card authorization
- Electronic funds transfer
- Freight selection and tracking

In each case, Sage Enterprise Suite will provide these functions to the end user within the application by invoking software running on sage.com. These kinds of features will be delivered during 2001 and beyond.

Summary

E-Business is made up of three key threads: E-Commerce, E-Management and Application Delivery. E-Commerce refers to improving interaction with partners, E-Management refers to improving internal efficiency, and Application Delivery covers software availability and ROI.

Sage Enterprise Suite is the high end product from Sage, and provides mid-sized companies (those with over \$20m in revenue) with the quality platform needed for e-business success. It provides modules covering all aspects of e-business, and is designed exclusively for Microsoft SQL

Server and Windows 2000. Most importantly, Sage Enterprise Suite is built specifically for customization and integration to other systems—including web applications.

By focusing on quality, Sage ensures that customers can rely on Sage Enterprise Suite to be the bedrock of their e-business network today and tomorrow, however the technology evolves over time. An e-business, first and foremost, requires business management software that works.

Sage Enterprise Suite E-Business Solution Map⁴

	Employees		Non-Employees		
	Operational: Full Time User	Self-Service: Occasional User	E-Commerce: Regular Visitor	E-Commerce: First Time Visitor	E-Transactions
Sales	Sales Order Accounts Receivable	Access to reports	Customer order entry and tracking* Account detail* Product detail*	Corporate Information* Point-of-Sale*	EDI [#]
Purchasing	Purchase Order Accounts Payable	Access to reports Requisitions*	Procurement*	Corporate Information*	EDI [#]
Finance	General Ledger Cash Management Multicurrency Payroll Fixed Assets Budgeting Allocations Consolidations	Access to reports Budget review and update Executive dashboard*	Not Applicable		Credit verification* Credit card authorization* Electronic settlement*
Employees	Human Resource Management	Employee self - service			
Line of Business	Multi-warehouse inventory Advanced Forecasting and Replenishment Manufacturing [#] Project Tracking [#]	Access to reports Time and Expense Entry [#]			

Notes

Provided by a third party

* Under development

⁴ For more information on E-Business maps, please refer to the E-Business Buyer's Guide white paper.