

PRACTICAL ADVICE FOR COMPANIES WHO HAVE OUTGROWN PEACHTREE

MIGRATING FROM PEACHTREE TO DYNAMICS GP

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EXECUTIVE SUMMARY

This article summarizes the strengths and limitations of Peachtree, provides practical advice for squeezing the most out of Peachtree, and for those companies who have outgrown Peachtree provides information related to migrating your company from Peachtree to Microsoft Dynamics GP.

ABOUT PEACHTREE BY SAGE

Peachtree by Sage (referred to in this report as “Peachtree”) is one of the world’s most popular accounting systems (behind QuickBooks) with more than one million users. For the money, Peachtree products provide excellent value and an outstanding assortment of features to meet the needs of smaller businesses. However, like all entry-level accounting system solutions, Peachtree products have their limitations, and burgeoning companies can quickly outgrow Peachtree by Sage’s strongest product offering. Sage’s Peachtree Software produces five⁽¹⁾ editions of the Peachtree accounting system priced at escalating price points. Each of these products is essentially the same product, with an increasing number of features and functionality added. Companies that outgrow less expensive editions of Peachtree may find adequate solutions by migrating upward to the more expensive editions of Peachtree. Ultimately, larger companies can outgrow even Peachtree’s strongest solution – which is the focus of this report. Therefore, references in this report to “Peachtree” are intended to refer generally to all 2009 editions of Peachtree by Sage, including Peachtree’s most expensive product offering - Peachtree Quantum.

HOW TO TELL WHEN YOU’VE OUTGROWN PEACHTREE

Fast growing companies will typically outgrow Peachtree solutions in two different ways: First, a company’s increasing volume of transactions and concurrent users can outgrow the practical database and user capacities provided by Peachtree. Secondly, as companies grow and expand, the need for more advanced accounting system features expands as well.

In general, you can tell that you are beginning to outgrow Peachtree’s feature set when you must implement manual work around procedures, purchase ancillary third party applications, or find an increasing number of needed features lacking in Peachtree. You can also tell that you are starting to outgrow Peachtree when you notice an unacceptable delay in the menus and screens when navigating Peachtree, when reports take an unacceptable amount of time to print, or when your number of users needing access to your accounting system exceeds Peachtree’s maximum number of users.

PEACHTREE’S FEATURE SET

Peachtree provides a core set of features ideally targeted for smaller companies; but larger and growing companies often find that they need more sophisticated features. For example, Peachtree does not support multiple warehouse locations, allocation formulas, intercompany accounts, piece rates, item pictures, demand forecasting, and shelf life tracking. Based on a 2008 feature summary for 35 top accounting system solutions, Peachtree products ranked near the bottom behind 31 other popular accounting products (as shown in the table below).

2008 Feature Summary ⁽³⁾			
Product Name	Number of Features Provided Right out of the Box	Additional Features Provided if you Customize the Product or Purchase add on Solutions	Number of Features Not Provided Right out of the Box
Microsoft Dynamics GP	2,512	511	560
Peachtree Quantum	1,140	180	2,263
Peachtree Premium Accounting	1,120	180	2,283

Dynamics GP provides 1,372 more features than Peachtree’s strongest product offering – Peachtree Quantum. *(Please keep in mind that feature shortcomings in any product can be overcome by implementing manual work-around procedures.)* Obviously, as companies continue to grow, their needs for more accounting system features will grow as well. Ultimately these growing companies will need to consider upgrading to a more sophisticated system.

PEACHTREE’S DATABASES

Peachtree’s four lower tier solutions employ the Pervasive 10.0 database while Peachtree Quantum uses the Pervasive for Workgroups 10.0 database. The latter solution features new server based posting technology which allows faster response time when multiple users (up to 30) are entering data at the same time. The result is that Peachtree solutions now offer more robust databases than ever before; yet, many users still want to know *“what are the practical database limitations for these newer editions of Peachtree?”* This is an important question worth further inquiry because a company’s accounting system is the lifeblood of the organization.

While Sage does not officially publish database size limitations for Peachtree products, there is evidence that suggests that these performance thresholds are approximately 200 MB for Peachtree’s four lower tier solutions and approximately 500 MB to 2 GB for the Peachtree Quantum product. This evidence comes from Peachtree support personnel reportedly encourage Peachtree users with databases larger than 200 MB to upgrade to the Peachtree Quantum product. And the Peachtree Quantum FAQ page which provides the following direct quote *“Peachtree Quantum has been extensively tested at larger database sizes. You can reasonably expect to support database sizes that are 3 to 5 times 100MB, however results may vary based on different factors”*.⁽²⁾

Officially Peachtree maintains that all Peachtree’s databases are technically capable of reaching a maximum file size of 64GB, however these aforementioned facts suggest that the practical limits are far lower than 64GB. *(Please note that these performance thresholds are not toted as maximum limitations in data file size, rather they are offered as points in which performance might start to decline – users may not detect unacceptable levels of performance until after these databases have doubled or even quadrupled in size past these performance thresholds.)*

To track the size of your data files, Peachtree displays database size and number of records information when you select Help, Customer Support and Service, File Statistics from the Peachtree main menu. This particular information can be useful to determining how close you are to outgrowing the Peachtree system. Specifically, each transaction posted in Peachtree increases the data file size by 2 to 40 kilobytes⁽⁴⁾. This means that a company that processes 50, 100, 500, or 1,000 transactions per day will grow their databases by approximately 50 MB, 100 MB, 500 MB, and 1 GB MB in a given year, respectively. Compare these grow rates to the 200 MB and 2 GB performance thresholds discussed above, and after just a few years, Peachtree’s data files can swell up to unacceptable levels for many companies.

You can tell that you are starting to outgrow Peachtree when you have a growing need for more users to simultaneously access the accounting system than Peachtree allows. Both Peachtree First Accounting and Peachtree Pro Accounting are limited to a maximum of just one user. Peachtree Complete Accounting and Peachtree Premium Accounting are limited to 5 concurrent users. Peachtree Quantum is limited to a maximum of 30 users. Outgrowing these thresholds is a sure sign that you need to migrate upward to a stronger solution.

SQUEEZING THE LAST FEW DROPS OUT OF PEACHTREE

If you determine that you have outgrown Peachtree, or if you are on the verge of outgrowing Peachtree, there are several measures that you can take that might temporarily relieve the problem allowing you to squeeze the most out of your Peachtree application. These measures are listed below in order of easier steps to increasingly more drastic steps:

1. **Update** - *Update your Peachtree software to reflect the latest patches and tune up files. Recently Peachtree has released several updates that are designed to improve your experience. The installation of these patches and updates might alleviate your problems, or at least help.*
2. **Turn Off Features** - *Turn off selected Peachtree options in the Maintain Global Options dialog box such as Check spelling as you type, or change this setting from “Slow but accurate” to “fast but less accurate”. Also change the settings under the Improve Performance tab to turn off Automatic field completion, drop down lists, and page length to gain a little more speed.*
3. **Defragment the computer hard drive** - *Initially, your computer saves all data sequentially on your hard drive – like using a single groove on a vinyl record item. However, over time as you erase small files from your hard drive, empty segments are created through the hard drive. Thereafter, Peachtree saves data files on these separate empty segments, causing the file to be fragmented and physically located on*

numerous parts of your hard drive. The defragmentation process will rewrite your Peachtree data files into one sequential location on your hard drive. The result is that Peachtree will then operate faster.

4. **Purge Data Files** - Purge the Peachtree Data files using the built in Peachtree Purge Wizard tool located on the Tasks, System menu. (Remember to first make a copy of your Peachtree data on hard drive so you can access it later if necessary). This tool will allow you to remove transactions from closed periods, and purge inactive customers, vendors or employees from the system.
5. **Faster Computer** - Purchase a faster computer with a faster hard drive and faster RAM. The speed of the computer's processor chip, hard drive, and RAM all effect the overall performance of the computer. Currently, computers are widely available running processors from 1.0 GHz to 4.0 Ghz; hard drives from 5400 RPM to 7200 RPM; and RAM speed from 400 Mhz to 667 Mhz. Upgrading from an older computer to a newer computer with these faster options can lead to a significant performance gain in Peachtree.
6. **Faster Network** - Install faster network cards, routers, hubs and cables (installed properly) on your local area network.
7. **File Server** - Instead of running Peachtree on a peer-to-peer network, install Peachtree on a top class file server (instead of an employee's workstation computer).
8. **Upgrade to Peachtree Quantum** – Peachtree offers a version of Peachtree running on a faster and more robust database called Peachtree Quantum. However, this product is priced from \$3,950 to \$9,450 and offers about 20 additional features. The Peachtree Quantum database accommodates larger file sizes and more concurrent users. While this is a legitimate option for many Peachtree customers, if you've outgrown Peachtree Premium performance, chances are good that you have also outgrown its feature set as well. While Peachtree Quantum does offer about 20 additional features, if you've reached this point then perhaps another accounting system option with more features and an even faster database may be a better option – especially when considering the higher price tag associated with Peachtree Quantum.

While these measures will not permanently solve the problems, often these measures can buy you sufficient time to conduct a proper evaluation, selection and implementation of a new replacement accounting system.

STEPPING UP FROM PEACHTREE TO MICROSOFT DYNAMICS GP

Peachtree is widely considered to be one of the strongest entry level accounting systems on the market; therefore if you've outgrown Peachtree's performance and feature set, it is most likely time for your company to step up to a middle market accounting system solution designed specifically for companies with revenues from \$2 million to \$200 million. Companies that have outgrown Peachtree should consider stepping up to Microsoft Dynamics GP for the following reasons:

1. **More Features** - Dynamics GP provides 1,372 more features compared to Peachtree Quantum. (According to a report from the most recent version of "The Accounting Library" comparing the two products, Dynamics GP provides 2,512 features while Peachtree Quantum provides only 1,140 features).

2. **Strong Database** - Dynamics GP offers a more robust database which can handle millions of transactions without slowing down whereas Peachtree's database performance can start declining after just 75,000⁽⁴⁾ transactions for users of Peachtree's four lower tier solutions, and after 185,000⁽⁴⁾ transactions for Peachtree Quantum users.
3. **Breadth of Modules** - Dynamics GP offers a wider range of modules to meet a diverse range of company needs. In the final tally, Dynamics GP provides 50 modules compared to just 18 for Peachtree. For example, Microsoft Dynamics GP offers advanced distribution, manufacturing, supply chain, field service, human resources, project accounting, business intelligence, business portal, and collaboration functionality.
4. **Strong Financial Reporting** - Dynamics GP provides stronger financial reporting in many ways. The whole point of an accounting system is financial reporting and Dynamics GP offers far more reports (700+ standard reports) than Peachtree (143 standard reports). Dynamics GP's FRx advanced financial reporting tool allows users to schedule reports to be printed automatically at regular intervals, and automatically delivered to the appropriate predetermined recipients via e-mail or publishing to a business portal web site.
5. **End-User Customization Tools** - Several end-user customization tools are available in Dynamics GP that allow users to adjust the Dynamics GP application to their needs on a user-by-user basis. Users can specify which toolbars are displayed, what buttons they contain, and where they are positioned. Each user can specify the content of the menus displayed in Dynamics GP, and users can choose an appearance theme, as well as how required fields display in the application. Appearance settings from Windows are reflected in the Dynamics GP interface. Users can also add items to the Shortcut bar, giving them quick access to areas that are important to them. All list windows in Dynamics GP are configurable, allowing users to specify which columns to display and in what order to present them.
6. **Inter-Company Accounts** - Inter-company accounts are used to collect revenues and costs relating to transactions between related companies. For example, assume that a single entity operates five separate businesses from the same office building. Each month as the rent invoice is received; the entity pays the rent from one company's bank account on behalf of all five companies. The inter-company accounts in Dynamics GP automatically reflect the appropriate amount of receivables due from each of the four beneficiary companies. Later, when financial data is consolidated for reporting purposes, the inter-company accounts for all companies off-set one another to reflect the net amounts due to or from one company to the next.
7. **Forward Looking Reports** - Imagine what might happen if you were to drive down the road looking in your rear view mirror at where you have been, instead of looking out your windshield to see where you are going. You would not see obstacles coming and you may even suffer a severe crash. A similar situation can occur with financial reporting. A company that only looks backward (using historical accounting reports) and fails to look ahead (using projections and forecasts) is sure to run into unforeseen obstacles. Cash flow shortfalls, declining profit margins, and runaway budgets can take their toll on the financial health of a company. Forward looking reports can help a company better identify future problems in time to take corrective action.

Dynamics GP and Peachtree both offer cash flow projection capabilities. However, Dynamics GP also offers projections related to inventory requirements. This type of solution is known as “production planning,” and Dynamics GP provides a complete module dedicated to this purpose. The Production Planning system analyzes the production schedule and calculates the optimum time to order inventory so that it arrives just in time to be shipped, used on a project, or introduced into the production process. This type of solution can significantly improve the profitability of a company.

8. **Office Integration** - Dynamics GP is fully ODBC compliant (ODBC is an acronym for “Open Database Connectivity”). This means that data can be extracted and hot-linked directly from the accounting software database into other ODBC compliant applications such as Microsoft Excel. For example, from Excel’s Data menu, users can select the “Import Data” option, browse to the Dynamics GP database, and scroll through a list of the data tables contained in those products. Users can then select fields from those tables (up to 256 total fields at a time) and the resulting data is automatically extracted from the accounting system and displayed in Excel. Not only is the data displayed, but it is also hot-linked to the source. By pressing the “Refresh Data” key in Excel, the data is automatically updated. Further, Dynamics GP supports Smart Tags which allow Excel users to link data in Excel back to transactions in Dynamics GP. Because Microsoft Excel is the ultimate tool for analyzing data, ODBC compliance is a crucial capability to look for when selecting an accounting software solution.

9. **Similar Screen Design** - To help Peachtree users feel more at home, Microsoft has added data entry screens in Dynamics GP that look and feel similar to the Peachtree screens you are already used to. Presented below is a check writing screen for Microsoft Dynamics GP.

Account	Description	Debit	Credit
Distribution Reference			
000 -1100 -00	Cash - Operating Account	\$0.00	\$173.38
000 -6780 -00	Miscellaneous Expense	\$173.38	\$0.00
-	-	\$0.00	\$0.00
Total		\$173.38	\$173.38
Difference			\$0.00

10. **Networking Architecture** - Dynamics GP and Peachtree use different approaches when it comes to server deployment. Technically, Peachtree offers only a two-tier solution, while Dynamics GP offers two-tier, three-tier, and n-tier solutions. This means that Peachtree can only operate on a single server, while Dynamics GP can be distributed across multiple servers. Organizations that use Dynamics GP can increase speed and productivity by adding additional servers to accommodate increasing volumes of transactions. Companies that use Peachtree are limited to the performance of a single file server.
11. **Web Browser Access** - A recent trend among top accounting solutions has been the introduction of systems that allow employees to access the accounting system using a common web browser. Dynamics GP offers a web browser solution called the business portal. Browser-enabled systems reduce the cost and complexity of setting up user desktops, and permit organizations to support a single common access environment, regardless of whether users are on site using the local area network or accessing the system while traveling via the Internet. The screen below presents the Dynamics GP web browser portal that provides users with secure, encrypted access to the complete Dynamics GP accounting system from any location in the world.
12. **Access to Data** - One of the most important capabilities that an accounting system can offer is an ability to easily get to the underlying data. Dynamics GP provides one of the best features for accessing data available in the market, regardless of the system complexity and cost. The Dynamics GP SmartList tool contains more than 100 standard reports, and provides access to all data tables in Dynamics GP. SmartList reports can be transferred to Microsoft Excel or Word with a single click. This capability provides the user with the ability to do additional analysis with their accounting data in these familiar applications. For example, once the data is transferred into Excel, users can easily produce charts, pivot reports, or do sensitivity analysis.

In conclusion, Peachtree offers an excellent solution for small businesses, but ultimately companies might outgrow the features and capacity of the Peachtree product. For companies in this situation, there are measures you can take to squeeze the maximum utility out of Peachtree. While these measures can help some, reaching this milestone is usually a clear sign that an upgrade to a stronger accounting system is warranted. Companies seeking to upgrade from Peachtree should consider Microsoft's migration path to Dynamics GP based on the increased features and performance, the affordable pricing, and the conversion utilities.

DISCLOSURES & DISCLAIMERS

This article provides an executive summary of a more detailed report published in September 2008 entitled "[Practical Advice for Companies who have Outgrown Peachtree – Migrating from Peachtree to Dynamics GP](#)". The full report is located at www.asaresearch.com/peachtree. The full report contains detailed discussions, comparison lists, disclaimers, disclosures, author biography, footnotes, endnotes, and information used as a basis for opinions or conclusions reached in this summary report.

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