ACCOUNTING SOFTWARE

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Introduction

The organization that is chosen for the analysis of the use of accounting software packages is the Wesfarmers. Wesfarmers is a diversified corporation that has grown to become Australia's one of the biggest retail corporations. Being a retail giant, it is involved in various activities and the organizational structure is found to be ineffective to be carry on the activities and the company has been facing various issues such as incompetency and fraud in the system that is affecting the operational success and thus there has been a need to adopt appropriate accounting software for improving the operational functioning.

Current organizational structure and associated operational problems

As per the current organizational structure, it has been seen that Wesfarmers is considered as among the best listed companies in Australia and has diverse business operations. It has its headquarters situated in Australia and the organization's operations are divided at various levels. The President of Wesfarmers heads the operations from the managerial level. The company has various retail stores spread across the country and every store has their own managers that report directly to the company's management. The stores employ many salesperson and these sales officials are engaged in the operation of the daily activities. Thus the organizational structure is divided in a hierarchal system. It has been observed that the structure that is followed in the Wesfarmers Company is similar to that of other retail companies. It has been seen that although the organizational structure has been this way since the inception of the company and its operation yet the company is facing issues due to the current organizational structure and the current operations. It has been seen that there has been found certain issues in the organization that has affected the organizational functions. It has been seen that there issues emerging in the accounts system of the company and with the maintenance of the records of the

company. There have also been cases of fraud in the company after new employees have joined the company. Thus there has been a need felt for having appropriate accounting software in the system of the company.

Commercial or custom software or ERP

In the market scenario, there are various software that are now being used by companies as acquisition method. Out of such methods, the most popular are commercial software, customer software and ERP. It has been studied that commercial software is a program that is essentially designed or developed for licensing the sale for being delivered to the end users. The commercial software is usually used for serving commercial purposes. It has been seen that earlier, the commercial software was used as proprietary software but now it is more of an open source application that sold to the end users. On the other hand, custom software are specifically designed for a particular organization, considering the objectives and requirements of the company. Such software is precisely designed for addressing the needs of the specific job and is developed by in-house developers and is generally not packaged for the purpose of reselling. Wesfarmers had once developed the commercial as well custom software for governing the retail operations and management of inventories in the stores. However, then the company adopted an integrated software system as the ERP software system. The enterprise Resource planning software is currently used by most big corporations and SMEs as it allows companies to use integrated applications for managing the business. The ERP software also helps to automate the back office operations through technological support and services and through helping the human resources (Shanks et al. 2010). Although Wesfarmers had initially implemented the commercial and custom software programs in the initial stage of operation, it the shifted to ERP software system integrating commercial and custom software systems for better management.

Flowchart for sales procedure

Wesfarmers is essentially a giant in the retail sector in Australia and has various retail stores in operations. The sales procedure of the stores is linear and simple and involves a direct flow of products from the warehouses to the retail stores where the end users which are the customers avail the products and services. The flowchart below would help to illustrate the sales procedure that is adopted in the retail business of Wesfarmers in Australia.
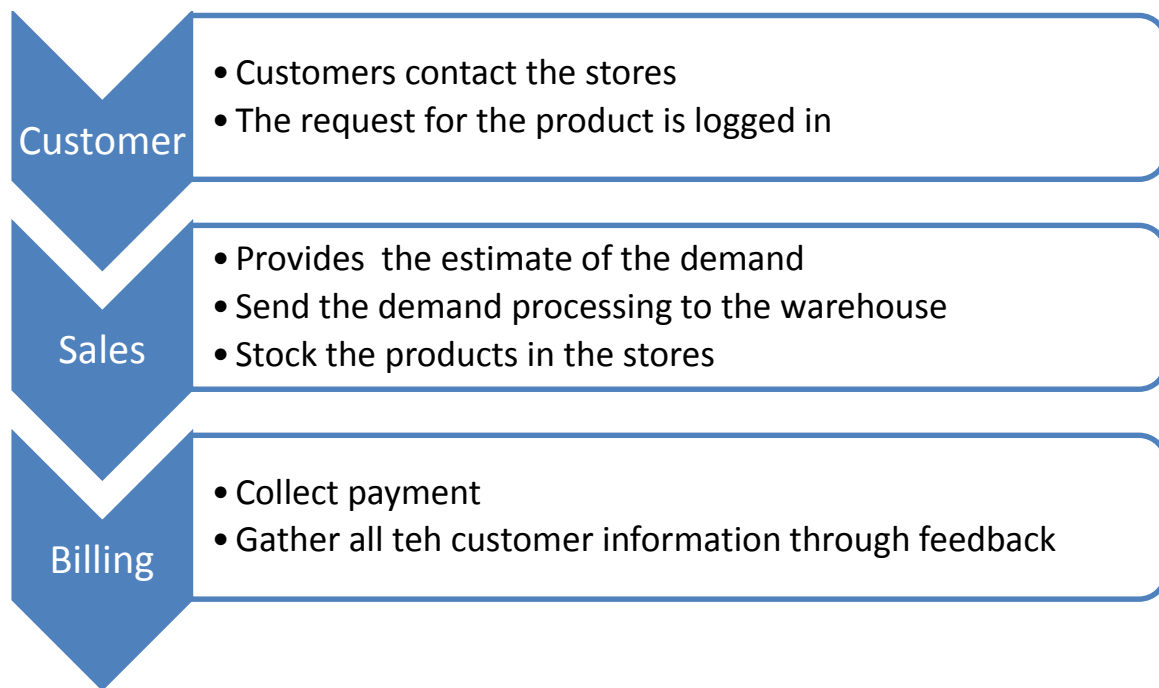
Customer
- Customers contact the stores
- The request for the product is logged in

Sales
- Provides the estimate of the demand
- Send the demand processing to the warehouse
- Stock the products in the stores

Billing
- Collect payment
- Gather all teh customer information through feedback

Figure: Flowchart of the sales

Control problems and frauds

It has been seen that Wesfarmers has been facing certain issues in the management and governance of the employees and with accounts and inventory management. It has been found that despite the efforts made by the management to have good control over the inventory management, there have been repeated faults in the management and control of the employee

system and stock management. It has been seen that the manager of the stores have been efficient yet there have been instances where there has been mismanagement from the end of the manager. There have also been complaints filed against the sales person in various stores about their behavior towards the customers. Apart from this, the major issues that surfaced in the backdrop is with the effective management of the system in the stores. The employee management system has been ineffective and there has been cases emerged on fraud in the stores as well as in the warehouses from where the products are transported to the stores for delivering to the end users which are the customers. It has been felt that the fraud in the company is happening at the hands of internal employees and due to the inefficiency of accounting software management.

Accounting software packages

Accounting software packages or system can be defined as a kind of application software which is very helpful in recording and processing accounting transactions in the system of the company. It has been seen that the accounting software are applied within the functional modules like the payable accounts, receivable accounts, payroll, general ledger and even the inventory management (Bishop, 2017). The accounting software system is thus a tool of accounting information system. Thus, it can be asserted that with the effective use of the appropriate accounting software packages, it can be possible for Wesfarmers to detect the malware in the system of the company. It has also been seen that the use of appropriate accounting software package can help better control and management and the managers would also be able to monitor the employees' performance and activities (Bishop, 2017). Thus it can be stated after studies that for effective fraud detection in the system, it is very necessary to have effective accounting software.

It has been seen that in the current market scenario, there are various accounting software available in the market that can be used by Wesfarmers:

- Keeping in account that Wesfarmers is a retail business, ***Xero accounting software*** can be very effective and appropriate. Xero software can be implemented in various applications such as for customer relationship management, accounting, invoicing and other accounting functions (Bishop, 2017). It has other collaborative features such as it can be connected to bank accounts, and customer database with just one click. It can also be very effective for book keeping and keeping records of customers.

- WorkingPoint accounting software would offer the complete accounting solution to the company. Banking, invoicing, taxes, inventories, expenses can be easily from one single point (Lucas Jr, Walton and Ginzberg, 2017). This is affordable and simple in installation and use. Other features of its application would include time tracking, financial reporting.

- In accounting software packages, Intuit is considered as a very reliable name and the Quickbooks accounting software can efficiently keep track over everything in the store management (Bromson, Kaidonis and Poh, 2014). It would keep track on the sales, expenses, payroll and financial data for fraud detection from the end of the employees or manager.

Market size

The accounting software systems have become very important in the current business scenario. Almost all Big corporations as well as SMEs have felt the need for using effective software solutions so that accounting systems can be made more secure and stable (Battisti, Deakins, Perry,Bensemann and Smallbone, 2011). The intention is to have better control and

management and thus the market size and operation platform of the accounting software systems is very huge and is also expanding at a fast pace.

Leaders in market and their competitive advantage

Wesfarmers has various competitors in the retail market and Wesfarmers faces stiff competition from them in the retail business. Although with time, there has been emergence of new retail stores, yet considering the competition that Wesfarmers faces, the biggest competition comes from Myers' and Walmart. These two retail companies give stiff competition to Wesfarmers. The competitive advantage of Myers is that it enjoys great support from the extensive stores that are situated at regular intervals in the country as well as in USA and UK. They also have very secure information system that makes their system very secure. On the other hand, Walmart has been very successful in the retail market due to the effective control management that it has developed over time. The management is very secure and stable and they also use very effective information and accounting software system that makes their system free of internal frauds (Волот and Росохач, 2016).

Challenges in using accounting software packages

It has been seen that although the accounting software systems are being used increasingly by many organizations for better control management, such software and their applications face certain challenges that makes their application difficult:

- Information gathered by one individual can be easily manipulated by others in case others also have access to the accounting database (Xu, Horn Nord, Daryl Nord and Lin, 2013).

Since in the store and warehouse, there are various users that have access to the accounting system, the data can be manipulated.

- It has often been noticed that the data stored in such software are often not very secured and can be easily copied into floppies and pen drives. With greater technological development, the confidential network can be easily shared due to dearth of security measures (Xu, Horn Nord, Daryl Nord and Lin, 2013).

- Network control of such accounting software system is vast and expanse and vast amount of data are shared between the warehouses, stores and headquarter. This involves a lot of servers and vast data is shared over one unified network system. This makes the software operations more vulnerable to hacking and due to ineffectiveness of the network infrastructure, the software system would not be able to function properly (Xu, Horn Nord, Daryl Nord and Lin, 2013).

Conclusion

It can thus be concluded that implementation of appropriate accounting software would enable the company to not only improve the organizational efficiency but also help to reduce the issues that has been going on in the company such as fraud in the system and the organizational accounting issues. The use of accounting software system such as Commercial software or custom software or ERP system would be done depending on the appropriateness of the software as per the company's objectives that can be integrated with appropriate accounting software.

Recommendations

- The first step that needs to be taken in the application of accounting software systems is that efforts need to be made so that the data stored in the database does not get manipulated by any internal employee or intruder. This needs to be ensured by developing an authorization system through which the access of the database can be limited to some employees and the manager.

- There is also need for developing better security system for minimizing the risks of data mismanagement and information breach by any fraudster. Backups need to be installed so that even if due to any disaster, the software doe not function effectively, the information and data can be protected.

- It is required that the network system of Wesfarmers need to be very tight knit and extremely secured so that any intrusion or activities of any fraud can be detected on time. The network that is share between the warehouses, stores and headquarter need to be well built for effective functioning of the accounting software.

- The company needs to have built in passwords and ensure authentication of the users who access the accounting applications if it intends to minimize the fraud and catch the fraudsters in time.

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