



Not all anti-virus software packages perform in the same way. Recently, we have encountered the impact that either the wrong anti-virus software or incorrect settings can have on the performance of business software for our clients. The way that Sage 50 accounting software operates (and many other database products) means that on a network the data files are stored on the server, and each workstation has program files that run locally but access the data across the network. Anti-virus software that aggressively checks every activity can reduce business applications to a crawl, making them barely usable.

While we all want our businesses to never be hit by a virus or other malware, we do need our other business software to be able to run without undue slowness. In fact, it can be shown that some software carries such an overhead that other software that you are trying to use becomes barely usable. On page 2, a table of test results is available to allow comparison of various anti-virus products when used with Sage 50 software. These results could well be applicable to other database and accounting software.

Low cost not necessarily value

You get your best sales when the buyer sees real value in your price. Believe it or not, sometimes you lose sales if your price is too cheap!

Some years ago a New Zealand publishing company planned a substantial reference book. They planned to sell it at a low price, but a publishing consultant told them they would sell many more if they sold it at twice the price. He was so sure he offered a guarantee that if they sold it at the higher price he would guarantee the sales revenue they expected to get at the lower price, but he wanted half of any higher revenue. The puzzled publisher could not lose, and took the bet. To the publisher's amazement, the consultant was right, and he pocketed thousands of dollars. He explained that at the cheaper price, buyers would think it could not possibly be as good as it was. For a quality book, buyers expected a higher price.

A country printer quoted on a very large Auckland contract, but did not get it. Disappointed, he asked why.

"You were way below everyone else, you simply can't do a quality job for that price," the Auckland firm told him. The printer's wall was decorated with awards he had won for the quality of his work but he didn't show that in his price.

Base your selling price on what the market is willing to pay. But take care as this is highly theoretical so research your market carefully. Determine where you want your product or service to be in that market. Do you want to be known for your quality or your price? The above illustrations show you just how subjective determining a selling price can be. Cost is not a basis for setting a selling price. You determine cost, including a fair share of overheads, only as a cross check to see you will not be making a loss.

Property owners: Income tax trap

The income tax rates for the year starting 1 April 2011 will be lower than those for the year starting 1 April 2010. This means your provisional tax calculation will be reduced for the 2012 year (ending 31 March 2012 for most people).

If you own property on which the building depreciation is going to be cancelled, you could find yourself underpaying your income tax for the next year. For entities such as companies and trusts, this could give rise to Use of Money Interest, which you might not be expecting. Therefore, if you are not going to be able to claim depreciation, recalculate your estimated profit for the 2012 year and base your provisional tax payments on that recalculation, not on the automatic Inland Revenue calculation.

If you buy new equipment after 20 May 2010 the depreciation claim will be lower than normal. Previously, there was a 20% loading on the depreciation rate if an asset was new. This has now been abolished, so your depreciation claim for the March 2011 year might be a little lower than normal if you buy a reasonable number of assets each year.

Money loves speed

We humans want instant gratification. If it can't be instant, then usually it is ASAP. In previous articles we have pointed out there is a premium for speed. The tradesman who is quick to produce a quote can invariably ask a higher price. Not every job can be done instantly, so provide a fair time for completion and make sure you deliver within that time. If you want to chase money, and why be in business if you don't, learn to be quick off the mark. If this presents a problem, look at your systems. Good business is all about having good systems.

Money loves speed. It is probably the most important thing to remember as a business person.

Not all Anti-virus software is equal ...

As I mentioned in my introduction, the anti-virus package you use can have a significant impact on the performance of any business databases that you run on your computers (both standalone and networked).

When you open a document, your antivirus package scans the document before it opens (hence a delay). This is only one scan, and then you are left alone to make the changes that you want. When you run a database, every time you access or change data, there can be a delay while your anti-virus package checks your activity. As lots of checking can occur, this can have a dramatic effect on software performance.

These tests were conducted using identical Windows XP virtual machines and a speed testing utility that uses the Sage 50 SDO to read data, and to report the number of records read per second.

Network Tests: These were run over a Gigabit LAN from a Sage 50 2010 dataset on a Windows 2003 server. The server had no Anti Virus running on it.

Stand Alone Tests: the test was done on a set of Sage Data that was located on the C: Drive of the virtual machine.

<u>Network Test</u>		<u>Stand Alone Test</u>	
No Antivirus Installed	4715	No Anti-virus Installed	10602
Vipre	4362	F-Prot	8271
Avira	4206	AVG	7253
F-Prot	4085	Sophos	6914
NOD32 *	4036	MS Security Essentials	5934
AVG	3812	NOD32	5500
Panda AntiVirus Pro 2011	3699	Symantec Endpoint	4456
Sophos	3656	McAfee	3400
Avast v5	3220	Trend	2625
MS Security Essentials	3057	Avira	1947
McAfee	3033	Panda AntiVirus Pro 2011	1786
Kaspersky	2787	CA	1653
Trend	2411	Avast v5	1224
BitDefender *	2187	Vipre	1207
Symantec Endpoint	2054	Kaspersky	940
CA	49	BitDefender	859

Notes:

Test results courtesy of Martin Neville at Adept, Sage 50 guru in the UK. Default anti-virus settings were used except that where possible an exclusion was set on the Sage data folder.

NOD32 was only 162 until the option to scan network drives was disabled.

Similarly BitDefender was only 48 until scanning of network drives was disabled.

The trial version of CA did not allow exclusion of the Sage data folder so this was probably not a fair test.

I do not like the fact that some software requires the scanning of network drives to be disabled in order to perform acceptably. If you store all your documents on the same server as your accounting software, then this will mean no scanning of these documents will occur (servers often do not run anti-virus scanning).

I have been using AVG for a number of years, but based on these results I thought I would try F-PROT. When the F-PROT test version expired, I ran the speed tests with the following results:

Stand Alone: No antivirus 12102, F-PROT 6579, AVG Business Edition 2011 10320.

AVG also identified a virus that F-PROT failed to identify. (The difference in performance between the Adept test and my test could be due to different versions being tested)

Summary: If you are finding that applications are running slowly, you may want to consider changing the anti-virus solution that you are using, or at least modifying the settings to try and improve performance. I have been happy with AVG performance, and the Business Edition allows centralised control for the network environment.

It is also very important to ensure that your anti-virus software is kept up to date (latest definitions and programs), and checks should be made to ensure nothing is interfering with the update routine.

Do you have your head in the clouds?

Inland Revenue is getting agitated about businesses which use "cloud computing" to keep their accounting records.

"Cloud computing is an internet-based computing service where users are provided with access to servers, software, applications, storage and networking, or any other aspects of computing, all of which are delivered over the internet," it says. It points out the data centres can be located anywhere in the world.

New Zealand law requires you to keep your accounting records in New Zealand and you can be fined for not doing so. If you use a cloud computing service, it would help if the supplier's clouds are over New Zealand, in other words, use a New Zealand-based company. If you use an overseas supplier, make sure you can save sufficient information on your own computer to keep IRD happy.

If this is not practical, you can apply to the department for permission to keep your records offshore. Each request will be considered on its merits. The IRD looks at how readily available the records are and whether having your records offshore is likely to impede the IRD's compliance activities. If your supplier's business fails, you could be in trouble if you do not have that IRD approval.

Dear Customer: We love you!

In business, the term "love letter" is often used for a letter or email sent to a customer to make him/her feel special. Life insurance agents often send a card on the client's birthday.

Love letters are a good way to keep in touch. A car salesman can choose the anniversary of when a car was purchased. How about sending a card to one or two of your top customers when you go on holiday? A short personalised note, while you are on vacation, helps the reader see you as a friend. It's hard to change your supplier when it means losing a mate.

Love letters are a way to help you keep your best customers. It is much easier to hang on to your existing customers than to get new ones.

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Best regards,
Shane Durrant

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August 28 2011

1st Instalment 2012
Provisional Tax
(March balance date)
GST for July 2011

September 28 2011

Deadline for LAQCs
An existing QC or LAQC
with a standard 31 March balance
date will need to apply to become
an LTC (Look Through Company) if
choosing to transition during the
2012 income year.

