Implementation Manual

Business Partner

Contents

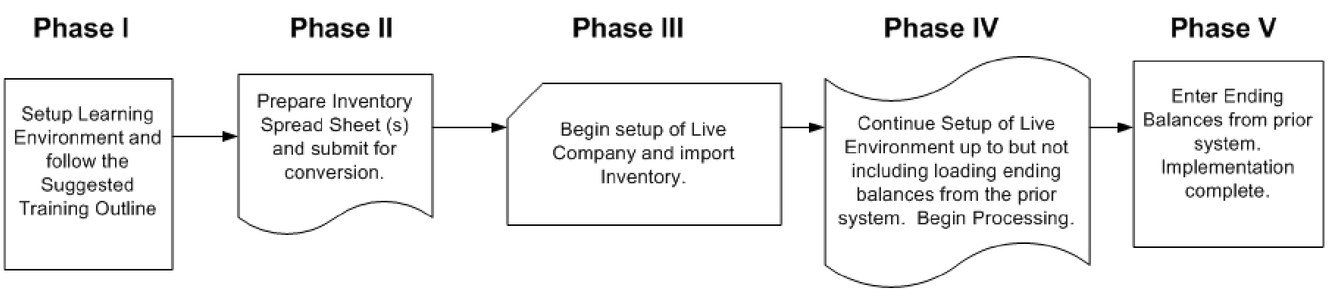
Introduction

Welcome to Smartwerks! We are excited that you've chosen our integrated Point of Sale and Accounting software for your business needs. This manual walks you step-by-step through the entire Smartwerks Implementation/Conversion Process and provides you with important information about the system, including a number of training tools to help you effectively learn the software.

The Implementation Process

The Smartwerks Implementation/Conversion process typically takes *two to four weeks*, depending on the amount of time invested in the process and the availability of the required data.

It is divided into five phases, each of which is described on the following pages:



Phase I

1

The first thing you need to do is familiarize yourself with Smartwerks by reading the 'Things You Should Know' section of this document.

Next, it is vital that you to develop a clear *understanding* of how inventory is organized and reported on in Smartwerks, as well as the requirements and options for Inventory and Non-Inventory Items. This information is found in the 'How Inventory is Categorized' video tutorial.

What You Need to Do (Action Steps):

1. *Read the 'Things You Should Know' section of this document.*
2. *View the 'How Inventory is Categorized' video tutorial and our Inventory Help Documentation.*

2

Now you are ready to download and install the Smartwerks software on your computer (described in the 'Downloading and Installing Smartwerks' section of this document). Once installation is complete, you will need to login to your Learning Environment. The Learning Environment is an area of the system (accessed with a special login) where you can practice and learn Smartwerks without affecting any live company data.

What You Need to Do (Action Steps):

1. *Download and install Smartwerks to your computer using the instructions provided in the 'Downloading and Installing Smartwerks' section of this document.*
2. *Login into your Learning Environment using the login information provided in this document.*

3

At this point, you will start setting up your Learning Environment. This includes entering your System Settings, Company and Branch Information, Tax Codes, Security Settings, Inventory Items, etc. Complete instructions are included in 'The Learning Environment' section of this document.

During this time, you will need to call us to schedule a *one-hour web meeting*. The purpose of this meeting is to assist you with the setup of your *Learning Environment* (if necessary) and to introduce you to Smartwerks, with the primary focus being Inventory Categorization and Processing. We will also describe our Training Resources (E-Learning Content, Help Documentation) in more detail and help you understand how they can assist you in learning the most important processes of Smartwerks. These include creating, buying, and selling inventory, along with understanding reports.

Since you have already read the 'Things You Should Know' section of this document and viewed the 'How Inventory is Categorized' video tutorial, you will already have some knowledge of these topics. However, this meeting will be a chance for you to ask any questions and for us to explore the concepts further.

What You Need to Do (Action Steps):

1. *Set up your Learning Environment using the instructions provided in 'The Learning Environment' section of this document.*
2. *Call your Smartwerks representative to set up the web meeting.*
3. *During the web meeting, make sure to ask any questions that you have about Smartwerks. Again, it is critical that you understand how Inventory is organized and reported on in Smartwerks and we want to help clear up any confusion that you might have.*

Phase II

4

Once you have a good understanding of how inventory is categorized and processed in Smartwerks, we will schedule a *second web meeting* to discuss the *Inventory Conversion Process*. At this point we will answer any questions about the Inventory Spreadsheet or import process in general. **IMPORTANT:** Before this meeting, please view the 'Creating the Inventory Spreadsheet' video tutorial.

In the second half of the meeting we will discuss the *Chart of Accounts Template*. We recommend that your accountant attends this part of the meeting, as they are good person to help you tailor the Chart of Accounts Template to your company needs. The accountant will also have the Beginning Balances (in balanced report form) for all of your accounts that will be needed on the final day of the Live Processing Setup (the last step in the Implementation process).

During this part of the Implementation Process, you should also work through the Learning Environment Training Process, which can be found HERE.

What You Need to Do (Action Steps)

1. *View the 'Creating the Inventory Spreadsheet' video tutorial.*
2. *We will call to set up a second web meeting (no action required).*
3. *During the meeting, make sure to bring up any issues or questions you have about creating the Inventory Spreadsheet.*
4. *Create your Inventory Spreadsheet using the provided sample spreadsheet.*
5. *Email the Inventory Spreadsheet to us as someone@smartwerks.com. We will review it for any errors and notify you of the problems if there are any. IMPORTANT: Since your inventory file will include quantities onhand for each item, we suggest that you keep copies of your Delivered Sales after you send us the file. That way, the stock levels can be adjusted out before you go live.*
6. *Work through our recommended Learning Environment Training Process. Use the provided Checklists to keep track of your progress.*

Phase III

5

Once we receive your Inventory Spreadsheet, it takes 3-4 days for us to complete the import. During that time, you can login to your Live Processing Environment and complete the *Initial Setup* steps described in the 'The Live Environment' manual. If you need assistance, please call your representative.

IMPORTANT: *No inventory should be created and no account postings or processing should be done at this time.*

What You Need to Do (Action Steps):

1. *We will create the Live Processing Environment for you so there is no action required for this step. We will also send you an email that contains confirmation of the setup, login information, and instructions on setting up the Live Environment.*
2. *Once you receive the confirmation email from us, login to your Live Processing Environment.*
3. *Complete the Initial Setup steps described in the 'Setting Up Your Live Environment' manual. Remember that no inventory should be created and no account postings or processing should be done at this time.*

Phase IV

6	We will contact you when all of your inventory has been successfully imported and converted to Smartwerks. During this call, we will also work with you to set the date (within 7 days or ASAP) that live processing will begin on your system and to complete the *Assisted Setup* portion of the Live Environment Setup. Once these Live Environment Setup steps are completed, you can begin live processing. At this point we will also schedule a time to complete the last phase of Implementation (Phase V). **What You Need to Do (Action Steps):** *1. We will call you when your inventory has been successfully imported (no action required).*

Phase V

7	The final part of the Implementation process is entering the "Ending Balances" from your previous system into Smartwerks. If needed, we can schedule a meeting to help you with this process. As with the first meeting, your accountant should attend if possible. We also recommend running a Trial Balance Report in your previous system after the final Month End has been completed. **What You Need to Do (Action Steps):** *1. Enter your Ending Balances into Smartwerks. Call your Smartwerks representative if you need help with this process.*

Things You Need to Know

Smartwerks is:

A *hosted* software package, accessed via the internet, with easy automatic updates.

To successfully run Smartwerks, your computer should have:

- A processor speed of 2.1 GHz or higher
- At least 3GB RAM if running Windows 7
- At least 2GB RAM if running Windows XP or Vista
- A high-speed internet connection (Cable or DSL)
- USB peripherals (exclusively)

Live Environment vs. Learning Environment

When you download and install the Smartwerks software, we will provide you with two different logins: one for your *Live* Environment and one for your *Learning* Environment. The Live Environment is where you conduct your business, while the Learning Environment is a place where you can practice and learn Smartwerks. Both of these areas are completely separate, meaning that actions performed in one environment have no effect on the other.

Before you begin processing with Smartwerks, you must be aware of the following :

Inventory

- If you would like to import your existing inventory into Smartwerks, you must first create an *Inventory Spreadsheet*. This spreadsheet, which lists all items and the corresponding product and categorization details (Description, Prices, Barcodes, etc.), is used by our Smartwerks team to import the items into your new system.

- Before creating the Inventory Spreadsheet, *it is vital that you have a clear understanding* of how inventory is categorized and reported on, as well as the requirements and options for Inventory and Non-Inventory Items. This information is found in the 'How Inventory is Categorized' video tutorial. For instructions on creating your Inventory Spreadsheet, please view the 'Creating the Inventory Spreadsheet' video tutorial.

- Smartwerks uses *Weighted Average Costing* for Inventory. The cost at the time of Sales Delivery is used for Delivered Sales reports and G/L Postings, while reports for Written/Not Shipped sales use the cost at time of Sales Order Entry. If your company employs a different costing method, please notify your Smartwerks representative.

Sales

- Bank Deposit is performed by Branch and is the only process needed to close the day.

Accounting

- Smartwerks operates *solely* on an Accrual Accounting basis.

- Installation includes a Chart of Accounts template that can be modified (with the help of your accountant) to suit your company's needs. See the 'Smartwerks Setup' video tutorial (Parts 1 and 2) for additional information.

Security

- In Smartwerks, groups are used to control employee access to areas of the system. Each group is assigned permissions (access to specific screens) and then employees/users are assigned to a group. Three groups are set up by default: Sales, Admin, and Office. Additional groups can be set up to meet your specific company needs.

System Settings

- In Tax Code Maintenance (*System Settings -> Tax Code Maintenance*), you can set up multiple sales tax codes, with up to *four* tax levels for each code. The tax is set by percentage with decimal precision on each level. If your state requires breakpoints, you can also set up a Breakpoint Table on this screen.

- Several Payment Terms, which are used in A/R and A/P, are set up by default. You can create additional ones *(System ->Payment Terms)* as needed.

Other

- To use the Email feature in Smartwerks, you must have one of the following email applications set as the default on your computer:
    - For Windows XP: *Outlook* or *Outlook Express*
    - For Windows Vista or Windows 7: *Windows Mail* or *Mozilla Thunderbird*

- Time Zones are set up during installation for each branch, by location. The system will not allow you to login from a computer with a time zone different from the one assigned to the branch. Also, to avoid any possible problems, we recommend that you *do not change* the Date or Time Zone on your computer while you are logged into Smartwerks.

- For Merchant Credit Card processing, we support manual entry or:

    Century Business Solutions
    Phone: 888.500.7798
    Web: http://www.centurybizsolutions.com/

Downloading and Installing Smartwerks

The following steps describe how to download and install Smartwerks on your computer.

1. Go to the following webpage:

   http://...

2. Click the 'Install: Smartwerks...' link.
3. Depending on your web browser settings, the file will automatically download or you will be asked to specify the download folder/directory on your computer. We recommend downloading the file to your Desktop.
4. When the download is complete, click on the Smartwerks Installer Icon.
5. Follow the on-screen instructions to complete installation of the Smartwerks software.
6. When installation is complete, click the Smartwerks icon.
7. The login screen appears. Use the following information to login into Smartwerks for the first time:

   Login: ...
   Password: ...
   Branch ID: ...
   Company ID: ...

8. The *Admin* login gives you access to all areas of Smartwerks. On your first login, you will need to change your password. The password must contain at least *1 letter* and *1 number* and be at least *6 characters long*.

The Learning Environment

Before you begin using the Learning Environment, it is *vital that you have a clear understanding* of how Inventory is processed, reported on and categorized as well as the requirements and options for Inventory & Non-Inventory Items. Before going any further, we recommend that you view the 'How Inventory is Categorized' video tutorial.

Remember that the Learning Environment is where you can practice and learn Smartwerks, while the Live Environment is where you actually conduct your business. Both of these areas are completely separate, meaning that actions performed in one environment have no effect on the other.

Setting Up Your Learning Environment

The instructions below guide you through the setup of your Learning Environment. It is important to complete all of these steps in order to avoid any problems with the system. For additional information on each step, please view the 'Smartwerks Setup' video tutorial (Part 1 and Part 2).

I. System Settings

(System -> System Settings)

A. Specify your Systems Settings for G/L, A/R, A/P, Sales, and P/O.
B. Additionally, set up the look and feel of Smartwerks.

II. G/L Chart of Accounts

(G/L -> Chart of Accounts)

A. Print your G/L Chart of Accounts and review with your accountant.

III. Company Maintenance

(System -> Company Maintenance)

A. Set up your company information and if desired, add your company logo.

IV. Tax Code Maintenance

(System -> Tax Code Maintenance)

A. Set up the tax codes that your company will use.

V. Branch Maintenance

(System -> Branch Maintenance)

A. Set up your company's licensed branches, including the 'Default Location for Delivery Sales' and assigned tax code.

VI. Employee Maintenance

(System -> Employee Maintenance)

A. Set up your employee information (Employee ID, Name, Address, etc.)

VII. Security Maintenance

(System -> Security Maintenance)

A. Setup Login Passwords for your employees.
B. Define system permissions for your employees by assigning them to user groups or creating new user groups as needed.

VIII. Payment Terms

(System -> Payment Terms)

A. *Four* Payment Terms are set up by default. Add more as necessary.

IX. A/P Vendor Maintenance

(A/P ->A/P Vendor Maintenance)

A. Set up at least *one* vendor.

X. G/L Chart of Accounts

(G/L -> Chart of Accounts)

NOTE: *This section is optional for your Learning Environment, but will be required for your Live Environment company*.

A. Review the Chart of Accounts Template *(G/L->Chart of Accounts)* with you Financial Advisor/Accountant. Modify it if necessary to fit your company's approach.

XI. Brand Maintenance

(Inventory->Brand Maint)

A. We recommend creating at least *two* Brands for training purposes.

XII. Department Maintenance

(Inventory->Department Maint)

A. We recommend creating at least *two* Departments for training purposes.

XIII. Product Type Maintenance

(Inventory->Product Type Maint)

A. We recommend creating at least *two* Product Types for training purposes.

XIV. Inventory Maintenance

(Inventory->Maintenance)

A. We recommend creating at least *four* Inventory items and at least *one* Non-Inventory item for training purposes.

XV. Customer Maintenance (optional)

(Customers->Maintenance)

A. Set up one or more customers for training purposes.

XVI. Commission Plans (optional)

(System -> System Settings ->Sales -> Commissions Setup tab)

A. Set up one or more Commission Plans for training purposes.
B. Run the Commission Report (*Sales -> Commission Report*).

XVII. Email (optional)

(This setup is performed in Windows, not Smartwerks)

A. Several screens in Smartwerks contain fields for email addresses. To setup email functionality in Smartwerks, one of the following programs needs to be set as your default email program in Windows before logging into Smartwerks.

- For *XP*, we support *Outlook* and *Outlook Express*.
- For *Vista* & *Windows 7*, we recommend *Windows Mail* or *Mozilla Thunderbird* which can be downloaded for free from http://www.mozilla.com/en-US/

Setting Outlook or Outlook Express as the Default Email Program in *Windows XP*.

1. Click Start->Control Panel.
2. Select 'Internet Options.'
3. Click the 'Programs' tab and select *Outlook* or *Outlook Express* from the Email drop-down list.
4. Click OK.

Setting Mozilla Thunderbird as the Default Email Program in Windows Vista and Windows 7:

1. Click 'Start' -> 'Default Programs.'
2. Click 'Set Your Default Programs.'
3. Select *Mozilla Thunderbird* from the Program list on the left of the screen.

4. Information about the software appears. Click the 'Set this program as default' button.
5. Click 'OK.'

Training on the Learning Environment

Congratulations. You have successfully set up your Learning Environment. Now it's time to start learning Smartwerks!

In order to learn Smartwerks efficiently and effectively using your Learning Environment, please follow the Training Process described below:

1. Select a subject area (Inventory, Sales, P/O, etc.) from *the Suggested Training Outline*, which is located on the next page.
2. View the Video Tutorial or Help Documentation for that subject area.
3. Practice the process described in the video or documentation on your Learning Environment.
4. Repeat steps 1-3 until all you have practiced all of the topics described in the Training Outline.

Suggested Training Outline

The outline below provides a list of Smartwerks processes that you should learn before you begin processing business data on your Live Environment.

I. Inventory

A. Set up at least *one* additional:
   1. Brand
   2. Product Type
   3. Department

B. Create at least *one* new Inventory Item and set up the following:
   1. Description(s)
   2. Mfg. SKU
   3. Barcode
   4. Serial Number Tracking preference (Yes/No)
   5. Costs/Prices
   6. Min/Max Levels
   7. Stock Levels

C. Set up at least *one* more Non-Inventory Item

II. Purchase Orders

A. Practice the following:
1. Entering P/Os
2. Maintaining P/Os
3. Receiving P/Os

III. Sales

A. Process at least one of each:
1. Express Sale
2. Take With Sale
3. Delivery Sale (Enter, Maintain, and Ship order)
4. Merchandise Return
5. Ticket Search
6. Daily Payment Receipt Report
7. Bank Deposit

IV. Reports

A. Print and study the following:
1. Buying Report
2. Monthly Cost of Goods Report
3. Daily Sales Report
4. Inventory Valuation Report
5. Employee Ranking Report
6. Sales Tax Report
7. Commission Report

V. Accounts Payable

A. A/P Vendor Maintenance
1. Set up an additional vendor.
2. View Invoice History and Open Invoices

B. A/P Not Posted
1. Enter an invoice for P/O

C. A/P Checks
1. Pay Invoices

D. A/P Invoice Entry
1. Enter Invoices for transactions not related to P/O

E. A/P Aging

1. Run the report.

VI. Accounts Receivable

(Optional if you don't use A/R)

A. Familiarize yourself with the following selections:
   1. A/R Master
   2. A/R Cash Receipts
   3. A/R Statements
   4. A/R Aging

VII. General Ledger

A. Access and run the following selections:
   1. Chart of Accounts
   2. Creating Accounts
   3. Editing Accounts
   4. Journal Entry
   5. Account Inquiry
   6. Transaction Inquiry
   7. Financial Reports
      a. Balance Sheet
      b. Income Statement
      c. Trial Balance

VIII. System/System Settings/Sales/Commission Setup Tab

NOTE: Departments must be set up before you can change these settings.

A. The default accounts are already set up, but if you modify your Chart of Accounts, you will need to verify the following on this screen:
   1. Control Accounts
   2. Sales Accounts
   3. Miscellaneous Accounts

Questions?

If you have questions about the Learning Environment or need help setting it up, please call us at **555.555.5555.**

Learning Environment Setup Checklist

- [ ] **Specify the System Settings for G/L, A/R, A/P, Sales and P/O**
  (System ->System Settings)
- [ ] **Print G/L Chart of Accounts**
  (G/L ->Chart of Accounts)
- [ ] **Enter company information**
  (System ->Company Maintenance)
- [ ] **Set up your company tax codes**
  (System ->Tax Code Maintenance)
- [ ] **Set up your licensed branches**
  (System -> Branch Maintenance)
- [ ] **Enter employee information**
  (System -> Employee Maintenance)
- [ ] **Define system permissions and create a Login Password for your employees**
  (System ->Security Maintenance)
- [ ] **View the default Payment Terms and add new ones as needed**
  (System -> Payment Terms)
- [ ] **Review the Chart of Accounts (*with your accountant*) and make any necessary changes**
  (G/L -> Chart of Accounts)
- [ ] **Set up at least two Brands in Inventory**
  (Inventory -> Brand Maint)

- [ ] **Set up at least two Departments in Inventory**
  (Inventory -> Department Maint)

- [ ] **Set up at least two Product Types in Inventory**
  (Inventory -> Product Type Maint)

- [ ] **Create at least *four* Inventory items and at least *one* Non-Inventory item**
  (Inventory -> Maintenance)

- [ ] **Set up at least one customer (optional)**
  (Customers -> Customer Maintenance)

- [ ] **Set up Commission Plans and run Commission Report (optional)**
  (System -> System Settings -> Sales -> Commissions Setup tab)

- [ ] **Set the Default email program in Windows (optional)**

Training Outline Checklist

- [ ] **Inventory**
- [ ] **Purchase Orders**
- [ ] **Sales**
- [ ] **Reports**
- [ ] **Accounts Payable**
- [ ] **Accounts Receivable**
- [ ] **General Ledger**
- [ ] **System Settings/GL**
- [ ] **Customer Maintenance**