



## PROFITsystems Acquires EasyChair Software

### Retail Furniture Software Provider Solidifies Leading Market Position

Shelley Parlin, Vice President of Professional Services

On December 7, 2007, we acquired EasyChair Software, a competing firm. EasyChair is located in Minneapolis, MN and has been in business since 1986.

This acquisition will strengthen our status as the premier provider of revenue-enhancing software for the home goods industry. Both PROFITsystems and EasyChair clients will benefit from combining EasyChair's expertise and unique features with our technological leadership and corporate strength. The new entity is poised to improve customer service levels for all clients and to reduce operating costs while growing sales. "Nothing is more important to us or more valuable to our continued success than the strong relationship we have with our customers," said PROFITsystems President Jeff Niskern. "This transaction will give our clients, new and old, even better technology and service to help them make money."

We are retaining several EasyChair employees and will not be changing the EasyChair product or support services for now. The addition of 176 EasyChair users brings our base to over **900** client companies! With our Ashley HomeStores locations, that number is over **1,100!**

We have already answered several questions about the acquisition and realize that you too may be curious. Here are the most frequently asked questions and answers:

#### Why did PROFITsystems acquire EasyChair?

The acquisition is part of PROFITsystems' long-term growth strategy. We will be able to leverage EasyChair's development efforts into new software features and new best practices. Also, the addition of a large number of EasyChair clients will increase PROFITsystems' buying power and influence with programs such as PROFITfreight and PROFITgroups.

#### How will the acquisition effect PROFITsystems long term?

By growing the company, we gain strength and stability in our marketplace. This, in turn, provides you security and the peace of mind knowing that you are partnered with the largest solutions provider in the industry, that also has the most responsive support staff.

#### Will I see a delay in support response and did you add any staff members?

In no way should this affect you. The only effect on PROFITprofessional clients is positive. The addition of the EasyChair clients should not create additional workloads for our PROFITsystems' support departments or cause any delays. PROFITsystems is retaining the EasyChair support staff to handle the EasyChair clients.

#### Were there any management changes?

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## Calendar

### December

3rd - 7th - Classroom Training  
24th - PROFITsystems Closed at 3pm on Christmas Eve  
25th - PROFITsystems Closed for Christmas Day

### January

1st - PROFITsystems Closed for New Years Day  
14th - 18th - Classroom Training  
28th - 1st - Las Vegas Market, Location: B-

There are no management changes necessitated by this acquisition.

1630 booth 1 and 4

## **Congratulations to all who were involved in this project!**

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**February**

4th - 8th - Classroom  
Training

## **Year-End Checklist**

### **Payroll Checklist (CheckMark Payroll Software)**

*Please verify all steps with CheckMark support prior to proceeding as some steps/processes may have changed.*

- Print year-end payroll reports.
- Print W-2 forms.
- Perform a backup of ALL payroll files.
- Run payroll year-end close. This must be done before the first payroll of the new year is run.
- Select File/Close Year in the upper-left corner bar.
- A message displays informing you that once the year is closed, company files cannot be returned to the previous year. Click the OK button to continue.
- After the year-end close is complete and BEFORE employee or employer checks are created in the new year, you can:
  1. Change the order of the hour categories (in the Hour Categories window, under the Setup menu).
  2. Delete Additional Income or Other Deduction categories that are no longer used.
  3. Delete employer payees that are no longer used.

### **Accounts Payable Checklist**

- Print the Payables History report (Print/Reports/Payables/History) to reconcile the General Ledger account and to get year-to-date totals.
- If your company uses foreign exchange, print the Gain and Loss on Exchange Rates report (Print/Reports/Payables/Gain or Loss on Exchange Rates).
- The next step is optional, but recommended.
- Purge the Payables History file (File/Utilities/Purge/Payables History). Set the cutoff date back at least 12 months. Purging does NOT need to be completed before activity for the new year can be processed.

### **Accounts Receivable Checklist**

- Print the Receivables Aging report (Print/Reports/Receivables/Aging) to reconcile to the General Ledger account.
- The next step is optional, but recommended.
- Purge the Open Receivables file (File/Utilities/Purge/Receivables/Open/History). Set the purge date back at least six months. Purging does NOT need to be completed before activity for the new year can be processed.
- Purge the Receivables Customer Remarks file

## **Attention: Forms Ordering**

With the holidays just around the corner, we want to remind anyone who orders preprinted forms and checks through PROFITsystems that our printer closes during the holidays. Shipping time can slow a bit during this time as well. You can expect longer turnaround times before, during, and just after the holidays. Please plan ahead to avoid any forms emergencies.

To place your order or for more information, contact us at 800.888.5565.

## **2007 Annual Client Surveys - Tell Us What You think!**

PROFITsystems, Inc. strives to be the #1 solutions provider for the retail home

(File/Utilities/Purge/Receivables/Customer Remarks).

## Inventory Checklist

- Print the Inventory Stock Status report\* (Print/Reports/Inventory/Stock Status) to reconcile to the General Ledger inventory account. **THIS REPORT MUST BE RUN ON THE LAST DAY OF YOUR YEAR**, as this module is not date sensitive.  
\*Stores without non-tracked inventory can use the Location List instead of the Stock Status report.
- The next step is optional, but recommended.
- Purge old inventory (File/Utilities/Purge/Inventory/Items). Run the purge program, using a cutoff date one year prior to the year being closed. For example, if the year being closed is 12/31/07, set the cutoff date to 12/31/06. Purging does NOT need to be completed before activity for the new year can be processed.

## Ledger Checklist

*Starting in PROFITprofessional version 11.3, closing the General Ledger (GL) will retain the ledger detail and can be retrieved by running Trial Balances and Financial Statements. Due to these enhancements, it is highly recommended that you convert to version 11.3 prior to closing your GL.*

- Enter, edit, and post all year-end adjustments dated the last day of the fiscal year (for example, 12/31/07).
- Print a Trial Balance (Print/Reports/Ledger/Trial Balance). Check the All checkboxes for Accounts and Profit Centers and check the box marked Print account detail.
- Make sure the report is in balance by looking at the Grand Totals Line at the end of the report. The Total Debits should equal the Total Credits and the Ending Balance should be zero. If not, DO NOT CONTINUE UNTIL THE PROBLEM IS RESOLVED. (The Trial Balance can be printed as many times as necessary.)
- Print all Financial Statements (Print/Reports/Ledger/Financial Statements). Make sure ALL financial statements balance to the Trial Balance. If not, DO NOT CONTINUE UNTIL THEY ARE IN BALANCE. (The Financial Statements can be printed as many times as necessary.)
- Verify that the Accounting Periods are set correctly (File/Maintenance/Ledger/Accounting Periods).
  - If your year has 12 periods:
    - Accounting periods 1 through 12 should be set to the correct dates for the year being closed. Period 13 should be BLANK. Ledger period should be set to the same month as Period 12.
  - If 13 periods are in your year:
    - Accounting periods 1 through 13 should be set to the correct dates for the year being closed. Ledger period should be set to the same month as Period 13.
- Perform two complete system backups.
- Run a ledger year-end close (Activities/Ledger/Close Year-End). Read the information in the Please Read group box.
- Double check the Accounting Period dates on the screen. If the dates are incorrect, exit, then change the Accounting Period dates, as outlined above.
- In the Profit Center group box, enter a Specific Profit Center to be closed or

goods industry, with the philosophy of helping you, the home goods retailer, to be more profitable. We appreciate your business and want your feedback on how we can continue to improve our products and services.

The 2007 Annual Client Survey will be sent the first week of December to allow you, our valued client, to let us know what we are doing well and where we need to improve. The surveys will be sent via fax and can be completed on paper or online. If you do not receive a survey, please contact our office or email [dawnu@profitsystems.net](mailto:dawnu@profitsystems.net).

As always, for any concerns or questions, feel free to contact Dawn in our Customer Satisfaction Department at 800.888.5564.

Thank You!

## Pass it on

If you know someone who may be interested in receiving this newsletter, you can easily [forward up to five copies](#) at once.

- accept the default of All.
- Selecting the Retain Unreconciled Cash option (recommended) enables you to keep the uncleared entries for all cash accounts in the ledger master file. The Bank Reconciliation program uses this information. Unchecking this box will permanently remove cash account detail from all cash accounts within the system.
- Click OK to perform the close. No report will be printed.
- The year's profit (or loss) entry to the Retained Earnings account (1910-000) will automatically be made and posted for you if the Retained Earnings account number has been entered in the Profit Center Preferences for Account Numbers. If not, manually make a one-sided journal entry to Retained Earnings (1910-000). Profit should be entered as a credit and loss should be entered as a debit. Then, edit and post the ledger entry:
- In the Ledger Entries application (Enter/Ledger Entries), select the Journal radio button.
- In the Detail group box, enter, in the Account Number field, the Retained Earnings account number (1910-000).
- Enter, in the Date field, the transaction date of the last day of the fiscal year you just closed (for example: 12/31/07).
- Enter, in the Amount field, the amount of the year's profit (or loss).
- Select the Debit or the Credit radio button, as necessary (profit is entered as a credit; loss is entered as a debit). This entry will be a one-sided entry that will be posted out of balance.
- Print the Ledger Entries Edit List (Print/Transactions/Ledger Entries).
- Post Ledger Entries (Activities/Ledger/Post Ledger Entries).

## Physical Inventory Checklist (non-bar coded)

*Joanne Gulnac, Director of Software Support*

Use the following checklist to assist you in your year-end physical inventory. Contact Software Support at 800.888.5564 or [support@profitsystems.net](mailto:support@profitsystems.net) for assistance.

- \_\_\_\_\_ 1. **Billing** - All delivered merchandise must be processed.
- \_\_\_\_\_ 2. **Receivings** - All transactions must be posted.
- \_\_\_\_\_ 3. **Generate and Post Purchase Orders** - All Purchase Orders must be posted.
- \_\_\_\_\_ 4. **Run Data Integrity Routine** - Resolve any errors that are found before continuing.
- \_\_\_\_\_ 5. **Run Available for Sale Report** - This will identify unattached and billed items. Select Print/Reports/Inventory/Available for Sale. Select the checkbox Exception Items Only. All items must be located in valid buildings before continuing with the Physical Inventory.
- \_\_\_\_\_ 6. **Activities/Inventory/Physical Inventory/Begin Inventory**

IMPORTANT NOTE FOR 10.x USERS: When you first enter this application, the system checks for any unposted merchandise received transactions. If any are found, the system will display the following message:

*Merchandise receiving transaction(s) currently exist. All transactions must be posted prior to proceeding with a physical inventory.*

If this message appears, the system will not allow you to proceed with the Begin Inventory process until you first post the Merchandise Received transactions for ALL users. If you still get that message then you will need to reset your merchandise received window. Simply go into Enter/Merchandise Received, click on View/Transactions/All Users, ok through the message. You can now proceed with your Begin Inventory.

**NO INVENTORY, SALES, OR ORDERS POSTING PROCESSES, LOCATION TRANSFERS, MTO'S, OR ADDING SALES SHOULD BE PERFORMED ONCE THIS STEP HAS BEEN RUN UNTIL THE PHYSICAL INVENTORY PROCESS IS COMPLETED.**

\_\_\_\_ 7. **Activities/Inventory/Physical Inventory/Counts List** - Record the actual counts on the Physical Inventory List.

\_\_\_\_ 8. **Activities/Inventory/Physical Inventory/Enter Counts** - Enter the counts from the Physical Inventory List. The items will display in the order as printed on the list. NOTE: More than one person can enter counts from multiple workstations as long as the counts are for different ranges.

\_\_\_\_ 9. **Activities/Inventory/Physical Inventory/Print/Post Exceptions** - Print your exception edit list to verify all entries against the count sheets for entry errors. Make any corrections needed by selecting Activities/Inventory/Physical Inventory/Enter Counts. NOTE: ALL counts can be canceled by selecting Activities/Inventory/Physical Inventory/Quit.

\_\_\_\_ 10. **Back Up Your Data Files**

\_\_\_\_ 11. **Activities/Inventory/Physical Inventory/Print/Post Exceptions** - Post your exceptions. This step places the counts in the Merchandise Received work file. This step has NOT updated the item file or location file yet!

\_\_\_\_ 12. **Enter/Merchandise Received** - Any items found during the Physical Inventory count, which did not previously exist, or whose quantity was zero at the time Begin Inventory was run can be added here. New items can be created, if necessary, then return to this step to add the quantities of those new items.

\_\_\_\_ 13. **Print/Transactions/Merchandise Received** - Verify accuracy of any new entries that were made and make any additional adjustments through Enter/Merchandise Received.

\_\_\_\_ 14. **Activities/Inventory/Post Transactions/Merchandise Received**

\_\_\_\_ 15. **Print/Reports/Inventory/Stock Status/Item** - Print with cost for ALL items to get a total value figure. (Printing this report is optional, but necessary to balance your Inventory sub-ledger with your GL.)

\_\_\_\_ 16. **Activities/Ledger/Post Ledger Entries**

CONGRATULATIONS!  
PHYSICAL INVENTORY PROCESS COMPLETE!!

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## Attention Canadian Customers: GST Tax Code Change

The Canadian federal government will be reducing the Goods and Services Tax rate effective January 1, 2008. The rate will go from the current 6% to 5%. The tax code GSP is hard-coded to split out the tax amounts on the sales form so it must be the continued tax code after January 1st. Below, we have provided the necessary steps to prepare and complete this change.

By January 1st – Canadian stores must do the following:

1. Change your Vendors' GST rate to 5%. This will only affect new payable vouchers. To change one vendor, go to File/Maintenance/Payables/Vendors/More/Goods and Services Tax or to change multiple vendors at once, go to File/Utilities/Set Master File Fields/Set Vendor Fields, then change the Goods and Services Tax.
2. Create two new tax codes to replace the current GST/GSP tax codes. These will have the current rates (6%). File/Maintenance/Codes/Sales Tax – these new tax codes need to be exact clones of your current GSP and GST tax codes except with a new Tax ID and Description.
3. Print all open sales with the GSP rate – if not already printed for client receipt purposes.
4. Change the tax code on existing sales dated before January 1st to the new code(s) created under step #2. This will ensure the sale and GL distributions are calculated correctly at the previous 6% rate. Once you do this step, any further printing of the sales form will not have the GST/PST tax breakdown since that is only available under the code GSP, hence why step #3 is required.
5. Effective January 1st, change the existing GST/GSP tax codes to be 5% down from 6%
6. Continue to use the recently modified GST/GSP tax codes for all new sales.

Please contact Software Support at 800.888.5564 or [support@profitsystems.net](mailto:support@profitsystems.net) if you have any questions.

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## **Year-End – It's Here Already! Make YOUR Light Bright in 2008!**

*David McMahon, Business Consultant*

Well, 2007 has passed. Business wise, in America, I'm sure a lot of you are not too sad to see it go.

Let's not allow 2008 to be a bad year!

The big question:

How do you have a fantastic 2008 if similar market challenges still exist?

Bigger answer:

By saying no more! Act like a professional corporation, not a small mom and pop store. Take the appropriate actions to adjust your company so that you can withstand a hurricane. When the winds calm down and market conditions improve, you will reap the benefits of doing things right.

Don't simply hunker down!

Operating with the same inefficiencies on a just smaller scale will not produce lasting

results!

Doing things inefficiently on a smaller scale will not produce big results!

This is what to do:

- Look at what areas of your business are performing and focus on maximizing those areas; slash inefficiencies.
- Take steps to align your company's self interests with those of your people and stimulate success: a company is just a gathering of people that will determine your results. Improve their lifestyle.
- Get a financial roadmap for the future that defines your actions for 2008. Forecast like a professional. (See my article at <http://www.nhfa.org/> Oct. 2007)

*"We can easily forgive a child who is afraid of the dark; the real tragedy of life is when men are afraid of the light."*

*Plato*

*Greek author and philosopher*

Take action before. Make YOUR light brighter for 2008. For professional guidance, contact [davidm@profitsystems.net](mailto:davidm@profitsystems.net).

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## **PROFITfreight Adds New Carrier!**

*Layla Berglund, Director of PROFITfreight*

We promised our members that as our membership and volume grows, our benefits and services would grow as well. PROFITfreight is very excited to welcome a new carrier to our program. FedEx National has recently signed up as a preferred PROFITfreight carrier, offering our valued members outstanding discounts nationwide!

FedEx National, previously Watkins Motor Lines, was acquired by FedEx Freight to compliment their LTL regional services and provide their customers with a reliable, cost-effective long-haul carrier. FedEx National has approximately 8,700 employees and contractors with over 130 locations and operates as a separate entity within FedEx Freight.

FedEx National is currently offering a 78% discount to PROFITfreight members nationwide. This service will benefit our members tremendously as the discounts are uniform throughout the country.

If you are interested in setting up shipments with FedEx National or one of our other preferred carriers, please contact a freight representative at 866.754.4650.

If you are not already signed up for our free freight program, [sign up today!](#)

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The PROFITsystems E-Communicator is your best source for news and information on PROFITsystems, technology, and the retail furniture industry. If you need to know about our conferences, software, or just what is new around the halls of PROFITsystems, this is the place to find it. In conjunction with our website [www.profitsystems.net](http://www.profitsystems.net), we are working to provide you the most information in the most timely manner possible. If you have not registered for access to our online PROFITresource Center, please sign up at our home page today!

Michelle Michaels, Editor

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