

# A Review of Navision



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## What Makes Navision Different?

When reviewing any accounting software solution, I think that it is important to understand how the product is different from its' competitors. All products are developed with different tools, different philosophies, and with different objectives in mind. All products are targeted towards different sized customers, and different industries. When evaluating products, it is easy to get bogged down in the overwhelming complexity of the systems. The reality is that all accounting systems have a general ledger with account numbers and financial reports; they all have an average accounts payable module that works fine; they all have a bevy of standard features. Studying these common elements of an accounting system will get you nowhere. It is the key differences that provide keen insights that will allow you to effectively identify and select the right product for your needs. With this spirit in mind, presented below are the key characteristics that set Navision apart from its competitors:

- **Speed** - For starters, Navision is extremely fast and reliable. Whether you choose the Navision database or Microsoft SQL Server database option, you will find that the product flies. In 2000, I was engaged by an Atlanta based company who needed an accounting system solution that could accommodate up to ten million transactions a day. The company was on the verge of contracting with a company in India to write a product for them to handle this volume. I advised them that I thought that Navision could handle this volume right out of the box. When asked to prove this claim, I teamed up with Tom Wimberly and Kevin Fischer of CompuSystems of GA who constructed a database of 10 million transactions (not an easy task mind you) and posted these transactions to Navision in less than 3 minutes, right in front of the company's management. They were convinced and the company implemented Navision for a total price including software, customization work, and implementation costs that was 90% less than expected compared to the India-based programming option.
- **SIFT** - There is a key reason why Navision is such a fast product – particularly when it comes to printing reports. Navision is designed with a clever technique which they call “**Sum Index Flow Technology**” (SIFT). With SIFT technology, every time a transaction is posted anywhere within Navision, all customer, vendor, account, and item totals are updated automatically for each day, week, month, quarter, and year. In this manner, when a user prints a report in Navision, the system need only “grab” the necessary totals and pop the report to the screen. By contrast, most other products must tabulate hundreds (if not thousands) of transactions in order to calculate the necessary totals and produce the resulting reports. This same tabulation occurs each time a report is produced, even if that same report was just produced seconds earlier. The result is that Navision reports hit the screen almost immediately, while other products may take 10 seconds, 30 seconds, or even several minutes in order to make a report happen. *Very clever!*
- **Reliable** – Navision is designed in such a way that it maintains database integrity, even if the power is cut unexpectedly during a posting routine. For example, assume that you are posting a large batch of 500 transactions in Navision. The product actually makes a copy of the database on the fly, then posts the transactions to this copy. Once this procedure is completed, Navision makes another copy of the original database, and proceeds to over write the original database with the posted version. Once the whole posting process is completed and verified, Navision throws away the unneeded database copies. In this manner, the computer's electrical plug can be literally pulled out of the wall at any point during the posting routine, and upon rebooting the computer, Navision will automatically

continue the posting routine where it left off. ACCPAC has also engineered it's product to post in this manner. It is not uncommon for Navision and ACCPAC resellers to stage an "accidental unplugging" during a product demo in order to prove this powerful feature.

- **Customization** - Navision is highly customizable, with perhaps the best mix of "ease of customization" and "power of customization" available anywhere. Today you will find that most of the top accounting packages are highly customizable. The general idea is that the product is supposed to meet 80% to 85% of your needs right out of the box, and you use the built-in customization tools to meet the remaining 10% to 15% of your needs. Unfortunately, some products which offer customization offer very limited customization capabilities, while other products which offer strong customization are extremely difficult to customize. I've talked to dozens of consultants out there who have customized a wide variety of products and the general consensus is that this is Navisions' true strength, and the foundation for it's success. I have prepared a detailed demonstration of this feature, which is located in the "Navision Product Tour" section of this web site.
- **Audit Trail** – Navision has perhaps the best audit trail of an accounting software package I have seen. The product allows you to drill down and around virtually throughout the entire system. No matter where you are, the built-in "drill-ability" of the product allows you to navigate seamlessly from financial statements down to original source documents, and from source documents up to the resulting financial statements. I have prepared a detailed demonstration of this feature, which is located in the "Navision Product Tour" section of this web site.
- **High Reseller Standards** – One of the best attributes of Navision is the extensive training and testing requirements set forth by Navision. In order to be an Navision Solution Center (reseller), you must have five people attend extensive training and they must each pass a fairly tough test. Three of these people must be trained in the Navision product, and two of them must be trained in customizing the Navision product. In 1999, Navision reportedly fired 25% of their 120 resellers because they did not pass the tests, or because they were providing shoddy work. By contrast, most other accounting vendors make little or no requirements of their reseller channel. To some accounting software companies, their reseller test amounts to seeing whether or not the reseller's check will clear. I believe that Navision's requirements result in much higher caliber Solution Centers, which in turn translates to higher customer satisfaction.
- **Reseller Fees** - It is worth noting that most resellers are required to pay a fee in order to become a product reseller. This fee typically ranges from a few thousand dollars to \$15,000 or higher with the normal fee of \$5,000. Thereafter, the reseller purchases the product at discounts ranging from 30% to 55% off, this discount usually escalates during the year as the reseller achieves higher volumes. However Navision does not charge a fee to become a Solution Center. Instead, Solution Centers must meet certain standards (basically five consultants must be on staff and trained in the Navision product, and there must be a commitment to maintain a certain level of marketing). Navision even trains the Solution Center personnel for free (although the Solution Centers must pick up their own travel expenses to Norcross, Georgia).
- **Positive Customer Feedback** – Perhaps the main reason that I regard Navision so highly is the fact that I have never had an unsatisfied customer when I have recommended the product to them. In other words, 100% of the people I've recommended Navision to, and who actually installed Navision, have indicated virtually complete satisfaction with the product. The only two exceptions to this are as follows. In 1998, I recommended Navision to my printer, and despite repeated phone calls to the nearest Navision Solution Center located about 75 miles away, the Solution Center never returned her call. In 1999, an Atlanta area Navision customer mentioned to me a problem with Navision on a Saturday. I e-mailed my

contacts at Navision who immediately jumped on this problem. At 2:00pm on Monday afternoon, an official at Navision corporate called me personally to explain that the problem had been solved, and asked me to call the company to verify this claim. I did. The customer was satisfied. I've recommended Navision dozens of times throughout the years, and with results like these, it is easy to see why I continue to recommend Navision.

- **Protected Territories** – Navision protects its Solution Centers by limiting the number of Solution Centers in a given territory. For example the total number of Solution Centers in the United States has grown from about 80, 120, 150, and 200 in 1998, 1999, 2000, and 2001 respectively. By contrast, many larger accounting software companies have 2,000 to 4,000 resellers out there. There are some benefits to having more resellers, for example, it is more likely that you will find one if you need one. However, it is almost a certainty that this approach results in hundreds of resellers “working out of the trunks of their cars” so-to-speak and without the proper product training. Since shoddy resellers is the number one complaint from end users, this characteristic is worth noting.
- **Two Database Options** – Navision offers two databases, a proprietary database called the Navision database (formerly referred to as the C/Side database) and Microsoft SQL Server. Ordinarily, you will hear me trash proprietary technologies when it comes to databases and programming languages. However, the Navision database is outstanding. Today, 80% of the new Navision customers purchase the Navision database option over the Microsoft SQL Server option, even though it is priced the same. The reason for this I believe, is that the Navision database is fast, and easy to administer – which translates to a lower total cost of ownership. I should note that I like the Microsoft SQL Server database also. Navision says that they added the Microsoft SQL Server option because they were losing some deals due to not being fully Microsoft compliant. I can understand this.
- **Granular Pricing** – Navision is the only mid-range or high-end product that is priced by the granule – or in other words, priced by the feature. For example, you could purchase a single user version of the Navision general ledger for about \$500. However, the allocations, budgeting, and consolidation features would cost an additional \$300 each. By the time you purchased the full general ledger, a single user version would cost about \$2,500. User licenses for additional users would drive that cost up much higher. The result is that smaller companies who anticipate heavy growth can get into the Navision product for a lower cost, and can add additional features and functionality as they grow.

It is interesting to note that each Navision installation includes all granules (or features). The un-purchased granules are “*turned off*” in the live product until they are purchased. However, users can toggle over to the sample company and experiment with these un-purchased features using the sample company data before making a decision to purchase them. *I think that this is very clever.*

- **Foreign Language and Foreign Currency** – Navision is a widely deployed product around the world. It is reported that in Iceland, one out of every two hundred residents of that country use Navision software (this may be hard to believe, but here at Accounting Software Advisor, we try to bring you every statistic). My point is that because Navision is deployed in so many countries, the product has developed excellent foreign currency and foreign language capabilities. By contrast, many accounting software products developed in the United States either do not include foreign currency and foreign language capabilities, or they add them later as an after-thought. If foreign currency and foreign language capabilities are important to you, then Navision just moved up a little higher on your short list – didn't it?