An **IBM** Guide to
Choosing
Business
Software

You don't have to be a computer expert to choose the right accounting software for your business. But it *does* help to understand what software is and how it works. This chapter is a quick introduction to software basics.

Let's begin with some definitions. Every computer has two basic parts: the *hardware* and the *software*. Hardware is the physical components of the computer— the nuts and bolts, circuits and wires, metal and plastic. Hardware includes the keyboard, video display (or screen), printer, and storage devices.

Software is the part of the computer you can't see or touch. Software is a fancy term for *computer programs*—the instructions that tell the computer what to do.

Software provides the instructions that allow the computer to handle specific tasks. If you want to use the computer for writing letters, you need word processing software. If you want to keep your books on the computer, you need accounting software.

Basically, computers can perform three types of operations: arithmetic, logical, and branching.

Arithmetic operations are simple arithmetic—addition, subtraction, multiplication, division. In *logical operations*, the computer makes yes/no decisions by comparing two things or conditions. Normally, the computer follows instructions in the order in which they are written in the program. But in *branching*, the computer can change this order and jump from place to place in the program.

Put these three elements together—arithmetic operations, logical operations, and branching—and you can write a computer program to handle almost any task. But what makes the computer so powerful is the speed at which it performs these instructions. For instance, a computer can process dozens of payroll checks in the time it takes to read this page.

In addition to their great speed, computers are incredibly accurate. And unlike people, they never get bored or tired.

However, computers can only follow instructions written in special "computer languages." Let's take a look at some common computer languages used in accounting software.

A quick guide to programming languages

In the early days of computers, programmers wrote programs in a complex code called *machine language*. Machine language is the language computers usually understand. But the problem is that machine language is difficult for humans to read and to work with.

To simplify things, *programming languages* (also known as *high-level languages*) were developed. Programming languages are easier to work with because they are similar to ordinary written English.

Inside the computer, special programs known as *compilers* and *interpreters* translate programming language into the machine language the computer can understand. Once a compiler translates a program into machine language, you can run that program as often as you like without having to translate it again.

An interpreter, on the other hand, translates programs one instruction at a time. And the translations are not saved, so a program must be reinterpreted every time it is used.

Many different programming languages are used today. Here are a few of the ones you are likely to encounter:

• **BASIC (Beginner's All-purpose Symbolic Instruction Code)** BASIC is a simple, easy-to-learn, easy-to-use language originally developed for teaching programming to college students. BASIC is supplied with most personal computers and is probably the country's most popular language for home, educational, and commercial applications.

• **COBOL (COmmon Business Oriented Language)** COBOL was developed to handle the large amounts of data found in business applications. Most accounting software for large computers is written in COBOL. But it is not heavily used for small business computers.

• **Pascal** Pascal was originally developed as an educational computer language, and until recently it was used mainly in academia. But now many programmers are using Pascal to develop sophisticated business and accounting applications for microcomputers.

For today's business manager in any size company, this is the book that gives you the inside story on how to make your way successfully through the software maze.

This book *is not* a catalog or instruction manual for IBM products. It *is* a wealth of IBM experience on what you should know when you are ready to choose, install and use accounting software.

Here's a book that tells you what to look for when you convert to a small computer operation—how to make the transition smoothly—and how to select the right kind of software that will serve your company's needs, both now and in the future.

A clearly written, non-technical book for people who are not computer experts, *An IBM Guide to Choosing Business Software* shows you screens and reports that are used in sample business situations. The book provides explanations of the software features that can work for you in all the major areas of accounting, including:

☐ **General Ledger**
☐ **Accounts Payable**
☐ **Payroll**
☐ **Order Entry & Invoicing**
☐ **Inventory Accounting**
☐ **Accounts Receivable**

In addition, *An IBM Guide to Choosing Business Software* outlines the management decisions you must make when you convert to a computer system. And it suggests how to store and protect your software files so you can feel secure that your company's information is safe.

For business managers, owners of small businesses, accountants, personnel and office managers, business students— for anyone involved in the day-to-day management of business—this is an essential book of sound, practical advice on how to approach the software selection process. Most people don't have to understand how a computer works to use one, but everyone should know the important selection factors when it comes to choosing business software.

Now you can tap a valuable reference when you're ready to decide which software is best for your business with . . .

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