

Get Paid Direct

Business Plus
TECHNOLOGY CLINIC

If you can persuade your customers to sign up for direct debits to pay your bills - and that won't be easy - then Lir Software's EazyEFT will help the payments run smoothly **BY JOHN COLLINS**

CASH FLOW IS ONE OF the perennial problems of running a business. Add to that the Irish culture of taking your time to pay invoices and is it any wonder so many businesses go the wall not because they haven't been able to secure contracts but because they haven't been able to get paid for them. Moving to electronic based direct debits is one of the ways around the cycle of issuing invoices, making the reminder calls and waiting for the cheque to arrive in the post. Traditionally though, the ability to process direct debits has been the sole preserve of larger organisations. Big-ticket enterprise accounting systems like SAP included the necessary software for electronic funds transfer (EFT) but this left the SMEs relying on the "cheque in the post". Although some smaller companies were using paper based direct debits, these were phased out by the banks at the beginning of 2002, adding a further impetus to the need for a product like EazyEFT.

EazyEFT from Dublin-based Lir Software allows companies to set up direct debits with their customers, present these to the bank in the required EMT format and have the amounts credited to the account, typically within three days of you processing the payment. To set up a direct debit you need approval from your customers and their bank account details. EazyEFT then creates a database of customers and allows you to enter amounts and process a direct debit run as often as required.

The latest version of the software also supports direct credits, a feature that was suggested by the banks as there are more companies processing credits than debits. It also provides the facility to pay directly into employees' bank accounts. Customer

details and amounts to be debited can also be imported from most accounting packages that support the export of tab delimited files.

Given that the software enables users to transfer money from customers' accounts, security is an important concern. Each user has an individual log-in, password and profile which determines what level of access they are entitled to. Because the software produces industry-standard EMT files it can be used with any Irish bank - Lir already has customers of AIB, Permanent TSB, Ulster Bank and National Irish Bank using EazyEFT. According to Mark Nolan of Lir, the banks have been supportive of the new software because it reduces queries, there are no cheques to be cleared and it eliminates paper lodgements.

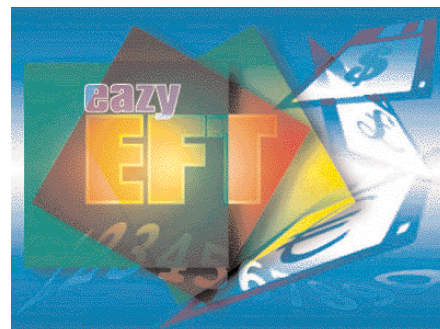
Lir also offers assistance in setting customers up as direct debit originators - a process that is handled by the banks and approved by the Irish Payments Services Organisation (IPSO). The mandate form and letter to customers offering the direct debit service is approved by the bank while IPSO issues each company with a unique direct debit originator number. The system is closely regulated which means banks will immediately refund any queried direct debits.

Although the attitude towards direct debits is changing in Ireland, due in part to utility and finance companies using them as standard practice, most small businesses remain wary of allowing suppliers draw down what they are owed at the press of a button. This isn't only due to issues of trust but also because direct debits loosen a company's control over its cashflow. "There are still many people who like to be able to give you the



cheque when they feel like it," says Cullen.

Typically, debtors will sign up for direct debits when the amounts are small and regular. So EazyEFT and



other direct debit mechanisms are used by security companies, milk agents, sports clubs and couriers. Snack food distributor Simply Delicious has been using EazyEFT for three months. Office Manager Debbie Cullen says the company had already been processing its own direct debits using an in-house developed database but errors occurred so frequently that it was cumbersome and time consuming. However Cullen says EazyEFT has streamlined the process considerably.

ATA Security uses EazyEFT to charge customers for their annual monitoring charge. Marion Greene of ATA finds resistance among some customers to moving to direct debit and estimates that only 10% of customers have signed up. The software has been integrated with the company's accounting systems and Greene found the installation was relatively hassle free.

Lir's software isn't cheap. It costs €295 plus VAT but that's just for a one-year licence, renewable thereafter. However the charge does include unlimited telephone support. Details www.lirsoftware.com. **BP**