Disco, John Travolta and bearish markets. The 1970s. Lots of trends began in the '70s that are still going strong. In fact, one of the most fundamental changes in our day-to-day financial lives took hold then — the ATM. The ATM is an indispensible tool for our busy lives today. It's way more efficient than going to the teller and way more convenient. But how many of us used ATMs in the '70s?

I didn't start using them until the late '80s. My parents preferred visiting a teller until recently and still do most of their banking at the local branch. While it may have taken a while, we can all see the benefits of ATMs today: convenient, fast and always available. It makes me ask the question, "What is the next big technology advancement in the accounting profession?"

I was recently asked a related question by Sequoia Capital, the financial backers of YouTube, Google, Apple, Atari and others. They asked if I thought the time had come for businesses to do their accounting online. My answer was an emphatic yes. I believe that sometime in the next five to 10 years, the default medium for accountants and small businesses will move from desktop accounting to online accounting. Why? Because online accounting applications like ATMs are convenient, fast and always available. As such, the time to invest and learn is now. Solutions exist today, and more and more are being built every day. And as with most technology, there are rewards for the early adopters: customer acquisition opportunities, increased cost efficiencies that increase your margins, and more flexibility to do your work where, when and how you please.

At the core of my belief in the SaaS revolution is the strong benefit for customers and software providers. SaaS is a complete shift in both the development model and the usage model of software. In many ways, it harkens back to the year I was born when processing was centralized using mainframe computers but

with a faster and better user experience. The cornerstone of a SaaS application

obvious benefit of centralized data is that you can leave the dirty work of backing up your files to the SaaS provider. No more trying to remember if it's time to backup and no more driving the backup offsite far enough away from any natural disasters that might occur. Backups just happen automatically in real time.

Centralized data and the web interface in particular enable software providers to respond more quickly to customer needs. Software providers are able to fix bugs and update the user experience without any involvement from the customer. Customers no longer have to wait for the annual update. Instead, applications are often updated every eight to 12 weeks. It's a win-win for both the customer and the software provider, which translates into faster learning, more frequent upgrades and simplified customer support. The funny thing is that once you make the technology leap, it's hard to imagine it any differently.

Sometimes when I talk with accountants about the benefits outlined above, the response is "Yeah, but it's too early." It's really not. SaaS has been around for more than a decade. If you equate that to Internet time, given the frequency of new products and/or versions of products, my guess is that the last 10+ years in SaaS development is equal to 20 to 30 years in the old model of software development. Large companies run their entire business using SaaS with applications from SalesForce, Oracle, NetSuite, Intacct and many others. Smaller companies have even more options from Freshbooks (invoicing), PayCycle/Intuit (payroll and accounting), Constant Contact (marketing), and a host of new services.

I run my business entirely online. We have no filing cabinets. I can pay bills, process payroll, review financials, examine contracts, and manage the 401K all

from my iPhone. The collaboration with my accountant is great. She can work

of the fabric of our everyday life, and I predict that financial applications will do the same. Finally, the recent push by industry players like Intuit (through its recent acquisitions of PayCycle and Mint), CCH, Thomson Reuters and CPA2Biz suggest that the "quickening" is happening.

When you get ready to move all of your applications to the web, what questions should you be asking? Depending on the nature of the application, you should require a SAS 70 audit, make sure the data is backed up and accessible in a different natural disaster zone, and ensure that the application is compatible with any of your existing desktop applications. There are, of course, many more things to ask, but these are specific to SaaS.

In the next 10 years, SaaS applications will surpass desktop applications in usage. You can wait for that to happen or you can help lead the charge. If you are not leading the charge, you will be following the direction of those who are. Which would you rather be doing?

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