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**Robert J. Chandler** • Jan. 03, 2012

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The Cloud has changed the world of accounting. This concept is not new—it actually dates back to the early 1990s—but the biggest growth in by accounting firms starting to take advantage of this online technology has been within the last few years.

Today's technology is used by more and more accounting professionals and business

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Being online to conduct business is no longer a dream or a wish. It's a requirement professionally and personally. The most powerful feature and benefit of working in the Cloud is accessing information anytime, anywhere. All that is needed is an internet connection, and it seems that most professionals are constantly "wired" to the internet.

Ease of access means making the processes of storing, inputting, retrieving, and sharing accounting information simpler. Online technology allows instantaneous access for authorized people to see where their business stands: reviewing financial statements, accounts payable and accounts receivable (technologies like Bill.com), along with access to documents, (like SmartVault.com), financial charts and spreadsheets.

Compared to cumbersome practices of the past, well, there really is no comparison. Online technologies have changed, and are continually improving the ways accounting is conducted.

### **Sharing Information in Real Time**

Ease of access naturally leads to enhanced capabilities for sharing information. Financial data can be accessed by employees, clients, shareholders, and consultants regardless of their physical location. No longer do people have to wait for the answers as economic issues arise (and they always do). The answers are available immediately and can be accessed by any authorized individual at any time.

Sharing information in these ways enhances client and accounting relationships, and allows accountants to become more valuable to their clients because the accountants can see how their client's business is performing without the client having to make the first move. These relationships are pro-active, not reactive,

empowering accountants to do what clients want them to do: Help a business make

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QuickBooks and Microsoft Office products. With a current license, clients and accountants can access information from one central location.

For firms considering moving to the online accounting world, make sure you use a hosting company (ASP) that is a certified provider and has at least one of the following credentials: Managed Service Provider certification, the Authorized Commercial Host Intuit service program, or the authorized Sage hosting provider program.

## **Risk Management**

Access to information truly is power, for your firm, your clients, but potentially also for bad guys. Therefore security will be a concern that always must be addressed and can never be taken for granted. That's why strong security measures are a core, built-in component of online accounting systems. This enhanced security is one of the additional benefits of working in the Cloud.

Common data protection includes combining 256-bit encryption at login, along with enterprise-level firewalls, state of the art Tier III data centers with 24/7/365 on-site monitoring and security, and Network Operations Center (NOC) teams that monitor potential threats and sabotage at all times. These NOCs keep an eye out for unauthorized intrusions, plus weather situations and other events such as earthquakes and deploy redundancies of 2N or better on all systems, which helps ensure uptime and security even when disasters occur locally. Additionally, NOCs have independent and uninterruptable power supplies to ensure that users experience no downtime.

These are just some of the security aspects that must be considered, but others include managing users and ensuring that only authorized users have access to information, with administrators having the power to turn this access on and off

according to need. In short, management of risk is no longer optional and control

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dependent any longer on in-house computers and software that may (and eventually will) fail.

With automated backup in multiple locations, data is simply safer, and in the Cloud, the locations for storage are virtually limitless. Redundancy brings comfort to business owners who know that their information won't be lost.

Finally, the result of this ease of access, sharing of information, risk management and redundancy, is much better recovery if something goes wrong. With online accounting systems, you can get the data back and get back to work quickly. Disaster recovery—knowing that information will never be lost permanently—is the endgame benefit of online client accounting.

Every decision in business depends on timely and accurate information. When disasters strike, regardless of their causes, a business professional can be assured that if he and his accountant are working together in the Cloud, access is assured, no matter what occurs.

Proof of the benefits rest in the opportunities this new technology represents. Online client accounting is safer, more accessible, automatically backed up and frees users from maintenance of programs. Wise business owners and their accounting professionals should use them to their full potential.

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