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products like QuickBooks Online, Intacct and NetSuite, followed shortly thereafter by Accounting Power, SAP Business by Design, Acumatica, Financial Force, Zoho, Sage One, ...

**Randy Johnston** • Oct. 17, 2017



**From the Oct. 2017 Issue.**

Do you know how sometimes you are just in the right place at the right time? Synchronicity has produced more good fortune and opportunity for my own career than deserved. Hopefully the outcome of work with vendors and publishers

producing many of the Software as a Service (SaaS) accounting products in the

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innovation, 3) that overall costs could be reduced since there would be less server and disk/Storage Area Network infrastructure required as well as conversion and upgrade costs to keep the accounting products current, and 4) that cloud based services should be able to talk to other cloud based services to provide specialized functions. We have seen this with CRM, expense reporting, sales tax, bill payment, payroll, and a plethora of other services.

Although progress has been slower than expected, many pure SaaS products are successful and have been adopted by businesses, replacing their legacy systems. On the other hand, vendors with legacy products have discovered that they can move the infrastructure needed to support their systems into Amazon Web Services, Microsoft Azure, or other co-location facilities where they host their own hardware. In effect, they took a product that was typically deployed on-premise and made it available as a hosted, subscription based service, eliminating the upfront capital costs. Today, every accounting software vendor has a cloud story.

### **Can Cloud Accounting Software Work For My Company?**

The short answer is yes. We recommend that you consider many factors before selecting one product over another, and we still recommend selection strategies outlined in prior columns. Simply put, there are steps in the selection process you can review at: [www.accountingsoftwareworld.com/selection-steps](http://www.accountingsoftwareworld.com/selection-steps). You should make a simple list of 10-15 things you intend to gain with a new system and 5-7 things you don't expect to lose. To do selection correctly, you will need to do the following:

- 1) List your needs
- 2) Map your existing processes (as is) and convert them to your desired processes (to be)

### 3) Identify candidate products

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- 8) Negotiate terms
- 9) Review contracts internally and with external legal help
- 10) Schedule implementation
- 11) Manage implementation using project management techniques, preferably under the guidance of a certified PMP
- 12) Configure the system properly
- 13) Convert data as needed
- 14) Train your team on the use of the new system
- 15) Set a go live date and convert

This simple list is not comprehensive, but should give you an overview of the process. You should limit your search to six products with three or so as your primary candidates. But how can we pick the best options out of the many products available in the market? How can we determine our needs when vendor's web sites don't have enough factual information to help us filter our search? How can we separate the promotion from the facts? In some cases, consultants can help, but you must watch for product biases, commissions or finder's fees. Reputable installers will know their own product(s) well, but it is rare that they have knowledge on more than two or three products. Your best options will be to use consultants, other knowledgeable people in your industry, trade organizations, or organizations that maintain some level of independence.

**So Are There Products To Include In Our Search?**

The short answer is yes. We try to track the best of the best and write summary

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- 1) Accounting Power – <http://www.accountantsworld.com/solutions/accounting-power>
- 2) Acumatica – <https://www.acumatica.com/>
- 3) BQE Core – <http://www.bqe.com/products/core>
- 4) Dynamics 365 – <https://www.microsoft.com/en-us/dynamics365/home>
- 5) Financial Force – <https://www.financialforce.com/>
- 6) FreshBooks – <https://www.freshbooks.com/>
- 7) Infor – <http://www.infor.com/>
- 8) Kashoo – <https://www.kashoo.com/home>
- 9) NetSuite – <http://www.netsuite.com/portal/home.shtml>
- 10) Sage Intacct – <https://us.intacct.com/>
- 11) Sage Live – <https://www.sage.com/en-us/sage-business-cloud/financials/>
- 12) Sage One – <https://www.sageone.com/>
- 13) Sage X3 – <http://www.sagex3.com/en-us>
- 14) SAP Business By Design – <https://www.sap.com/products/business-bydesign.html>
- 15) QuickBooks Online – <https://quickbooks.intuit.com/>
- 16) Wave – <https://www.waveapps.com/>

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- 2) Open Systems TRAVERSE – <https://www.osas.com/traverse>
- 3) Sage 100c – <https://www.sage.com/en-us/products/sage-100/>
- 4) Sage 300c – <https://www.sage.com/en-us/products/sage-300/>

By our best estimates, the U.S. accounting software market has around 300 different products that are offered for sale. Many of the products are for specific vertical industries. These vertical products may solve operational issues beautifully, but are notorious for having poor financial systems on the back end. In fact, a number of publishers no longer try to maintain core GL, AR, AP, PO, IV, SO, PR and so on functionality. They simply suggest one of the mainstream products to cover financials, while they focus on the operational systems. While this approach may solve your day to day operational problems, you are likely to fight financial system integration for years.

### **Other Key Things to Look For?**

We always caution our consulting clients and CPE attendees to understand your consultant's or presenter's bias. We prefer real-time systems, with dashboards that can include KPIs, that are drillable to the transactions, that frequently have supporting documentation attached. We caution you if you have more complex needs: consolidations, multi-lingual, multi-currency, revenue recognition, manufacturing, distribution, inventory, costing, grant tracking, Point of Sale (POS), and other "harder" capabilities needed. Make sure that you have confirmed all the capabilities are needed, or know the costs of the supplemental products needed to provide a complete solution. Licensing costs vary widely by role – full user vs. reporting user vs. team member, etc. Understand the needs of your users so that

vendors can provide you appropriate licensing costs. Ask about implementation

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10-12 years. Are you ready for the hard work of making the marriage of your company and a new SaaS accounting software product work? Is this option better than your current solution? Run the numbers, assess the risks and be careful out there!

Accounting • Cloud Technology

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