excitement and top-level positioning in the minds of small business owners

Oct. 01, 2005

By Shafat Qazi, CEO, BQE Software, Inc.
From the October 2005 Issue

Microsoft's release of Small Business Accounting 2006 (SBA) carries with it excitement and top-level positioning in the minds of small business owners. This is Microsoft's marketing machine in action. The impact on your firm is that your clients and prospects expect informed guidance regarding their accounting software in general, and SBA in specific. Each time the topic comes up, a new opportunity arises to strengthen client relationships, gain new clients and grow revenues.

Recently, many BillQuick Advisors have contacted us (most of them also QuickBooks Pro Advisors) regarding this question: "Should I prepare myself to consult for Microsoft's SBA?" If you are not currently weighing this opportunity, you soon will be.
Let us approach this question from the perspective of an independent software developer who has successfully developed for both applications and worked with both companies.

Platform Independence
For five years, BQE Software has been an Intuit Premier Partner, integrating our flagship product BillQuick Time & Billing software with QuickBooks. Our customers enjoy the benefits of powerful accounting and payroll solutions provided by QuickBooks. However, when it comes to Time-Billing and Project Management

functionality, BillQuick's advanced capabilities add much-needed vertical

After meeting the Microsoft team and reviewing the early release of its SDK, we knew Microsoft was making a serious commitment and that this was a huge opportunity for BQE. A far more important strategic factor for us was that it would make BillQuick truly "Platform Independent." Users win here — big time. Because BillQuick's powerful capabilities make it the front-end practice management solution for businesses that adopt it, the results of the upcoming competition aren't nearly as important to our users.

Intuit and Microsoft both offer accounting solutions with strong foundations upon which developers like us can build. To some, the question would be, "Which wagon should I hook my horse to?" We choose not to be the arbiter of "the better software question." Frankly, it would be an arrogant presumption for us to declare either product the ideal accounting solution for every accounting, law, architectural, engineering, consulting firm, etc. Too many factors are involved, not the least of which are management style and accounting skills.

Also, neither Intuit nor Microsoft demands such singular loyalty. BQE Software has enjoyed an excellent relationship with Intuit Developer Network management and staff for a long time. A pleasant surprise, Microsoft's response has also been very friendly, and we have been quite impressed by their level of attention and helpfulness.

The biggest difference in approach between the two companies is the speed at which decisions are made. Compared to Microsoft, Intuit moves slowly and carefully. Intuit's domination of small business accounting afforded them the luxury of taking things slowly and avoiding any big changes to its successful QuickBooks product. Part of it, I believe, was the fear of "breaking" what isn't broken. No doubt this approach will change now that Microsoft is in the race.

I predict that Intuit will make big changes and, once again, claim its innovative

new platform demands careful analysis. Among the critical issues are the following: How much must be invested (time, funds) to work with SBA? How many customers will they acquire, and what percentage of these new customers will need my services or software? If you are considering developing for either platform, it's important for you to understand the underlying technology in their SDKs.

QuickBooks' SDK employs an "XML Wrapper" in its control mechanism for integrated third-party applications. The XML controller is part of a three-tier gateway between BillQuick (for example) and QuickBooks data. This makes it easy to integrate with QuickBooks, but, in general, it results in a slower internal process and demands a larger memory footprint. In comparison, Microsoft's SDK has a direct link to its database and works faster.

On the other hand, QuickBooks' SDK supports "batch updates." Efficiently, a program issues a single command to do the job. SBA's control mechanism supports updating only one record at a time. If you want to save 50 records, for instance, an application must send the "save" command to SBA's controller for each record.

Another factor is whether integration can be achieved without the SDK. SBA utilizes the Microsoft SQL Desktop Engine (MSDE). This can easily migrate to the full SQL Server database as your company grows. Derived from its state-of-the-art SQL Server database product, MSDE opens the door for direct data access utilizing Microsoft Access or Excel, for example. For this do-it-yourself integration, the SDK is not needed. In comparison, the only doorway into QuickBooks data is through its SDK.

The upside: MSDE allows easy access to data.

The downside: MSDE allows easy access to data.

QuickBooks vs. SBA – Inevitable?

It is unfair to compare features and functions in QuickBooks and Microsoft Small Business Accounting. QuickBooks is a mature product, with years of improvements
derived from customer and market feedback. While Microsoft has obviously done a great deal of research and learned from its competitors, feature-by-feature comparisons should wait two to three years. Microsoft will work very hard to match QuickBooks' full functionality. Intuit, on the other hand, will continue to innovate and make it a difficult race for Microsoft.

Still, three critical items should be mentioned. On the upside, SBA integrates seamlessly with Microsoft Office. Most exceptional is the ease, speed and simplicity of integration with Excel, Outlook and Word. The downside is that SBA does not offer an Accountant version like QuickBooks. Also, it does not offer an in-house payroll module comparable to QuickBooks' Do-It-Yourself Payroll. (SBA integrates with ADP Payroll.)

While shortcomings for many potential users, these items will not be issues for long. Microsoft's huge ecosystem and extensive developer management and partnering experience will reverse them very soon. As noted above, many independent QuickBooks developers will integrate their solutions with SBA. Also, the need for an Accountant's Version will drop dramatically once Microsoft's new Windows Vista (code name: Longhorn) and its collaborative tools like SharePoint
services are in place and an integral part of the operating system. In the next few years, these new capa-bilities will allow secure and easy collaboration between an accounting firm and its clients with a few simple clicks. Although

the race has just started, the winner is already declared — you and your

Current and future clients need consulting, advisory and part-time CFO services in order to effectively implement QuickBooks and SBA to solve their accounting pain points. If you do not meet the demand, someone else will.

Advisory • Technology