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The software business is one of the toughest on the planet with thousands of lines of codes that must be perfect, long development cycles, astronomical support costs and a host of other challenges. But the accounting software industry hasn't made its life any easier by following the herd.

Back in the days when I was hawking accounting software for a company long since forgotten, we watched the competition closely so that we could immediately copy any new ideas or features they had. They, in turn, watched us. "Product differentiation" was almost unheard of.

That made it even more amusing to watch as the accounting software industry almost completely abandoned the Small to Medium Business (SMB) marketplace in order to chase after the large, multinational enterprise customers of the Fortune 100. That, everyone said, is where the real money was to be found.

A decade later, that movement has resulted in a round of consolidation, the emergence of the Three Sisters (Microsoft, Sage, Thomson) as the dominant vendors at the high end of the market-place and the near-annihilation of profitability for everyone else.

None of this was bad ... exactly. Lots of small, hopelessly "me-too" products were swallowed up or simply disappeared. But it soon became clear that the problem with serving the Fortune 100 is ... well, there are only a hundred of them. There just isn't room for everyone to prosper.

So now the pendulum is swinging back the other way, and everyone in the herd is mooing about the SMB market. They are largely overlooking the fact that whatever part of that market is not owned already by Intuit is being served by Peachtree

by Sage or Microsoft. Or that there are some classes of accounting software

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The problem is that the majority of smaller businesses don't have the resources to amass that data, nor do they have the skills required to make it work for them. Most of them would trade a year's worth of CPM for a little help in making payroll this coming week. Nonetheless, we are seeing CPM crop up as part of any number of offerings, with no vendor willing to admit that they don't have a clue as to how it would benefit a small business owner. They're just copying the features of competitors and hoping to glean out another point of market share.

Sure, the mid-market could surely make use of better decision support data than it currently has. And certainly there is room for improvement and innovation in how that data is collected and processed. And that's what the whole movement to better serve the SMB market should be about — innovation, not repetition. No one needs a small business accounting package that works like the one General Motors uses. They need a small business accounting package that works just like the best accountant they ever knew.

And for the software vendors who are desperately fleeing the enterprise market, hoping to push their feature-laden, bloated software applications into the SMB market, there is perhaps only one thing we can say: Moo.

INTERNET SITE OF THE MONTH

SkyMall (www.skymall.com)

For those of us who spend a lot of time traveling, one of the small pleasures is the SkyMall catalogue, which nearly always has something on its pages of neat stuff for sale that I can't live without. Taking the magazine home

to order, however, is too often like work. So instead, I haunt the catalogue's

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