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About eight years ago, I first began to get excited about online accounting

significance of this breakthrough product (essentially an online version of QuickBooks), was that it released accountants from the hassles of driving across town or asking clients to come to their office in order to work on the accounting data. Since NetSuite and similar products are delivered via the Internet as opposed to being installed on your local LAN or hard drive, they change the way you think about hardware, disk space, the LAN, and even the need to be "at the office" to do work. And when it comes to client services, the fact that the client data is online and accessible anytime from anywhere, this technology dramatically increases our ability to provide more services to more clients in more places around the world.

With its new product, NetSuite created a whole new software category called Software as a Service (SaaS). Other companies had been providing remote hosting of software for some time, but, in 1999, no other company had the small business accounting focus that NetSuite did, so it was NetSuite who introduced this idea to most accounting professionals.

In 2002, Intuit entered this market with the release of QuickBooks Online Edition, which has dominated the small business segment of this market while NetSuite has moved up market and now dominates the mid-range market for online applications. Meanwhile, as these web-based applications from NetSuite, QuickBooks
Online and a few others have been growing in popularity, there has been a parallel market developing in "Hosted Desktop Applications." Since the late 90s, several ASPs (Application Service Providers) such as Citrix, ProPalms (formerly Tarentella), InsynQ (cpaasp.com) and several others have been providing remote hosting of desktop applications. These companies rent access to a server that runs Windows (loaded with applications such as QuickBooks, Microsoft Office, and others) via an Internet connection. Just as NetSuite paved the road for

web-based applications, InsynQ was the company that paved the road for the Hosted

inefficient. But that is the reality for most QuickBooks consultants. We have solutions for transferring data files and remotely logging into the client's office, but all of these are extra steps and costs that shouldn't be necessary. Also, clients who have multiple locations or traveling employees can really benefit from online software because of its anywhere, anytime access, and because of the always-available information access features.

Although the adoption rate for these technologies was sluggish at first, we're finally seeing a dramatic increase in interest and adoption. Until recently, accountants and small business owners were fearful of putting data on the Internet. They didn't want to bear the risks of client data being compromised by unscrupulous hackers. The irony is that people are now accepting the fact that data is much safer when stored on secure Internet hosts than it is on local hard drives or LANs where people can get at it with hacking tools or even a cheap thumb drive plugged into the USB port. With proper safeguards, your data is probably less likely to be lost or stolen when you use a web-based application versus your own servers and LANs.

Another factor that has prevented users from switching to web-based applications is that most web applications perform slower and have fewer features than similar desktop applications. This continues to be an issue, but performance and features are catching up with desktop applications. Although the performance of online applications may never match that of local applications on a dedicated desktop computer, users are beginning to accept the tradeoffs of slight speed penalty for the benefits of having their data online.

Even if you're unfamiliar with these new online applications, your clients are probably already using one or more SaaS products. For example, if your clients use QuickBooks payroll or any of the online banking, bill pay or credit card

download services, they are already using SaaS products. And as you help your

- NetSuite (www.netsuite.com)
  — Mid-market solution with accounting, Customer Relationship Management (CRM), Sales Force Automation (SFA), Enterprise Resource Planning (ERP), and e-commerce solutions.
- QuickBooks Online Edition (http://oe.quickbooks.com)
  — Small business solution with accounting, payroll and most of the features of QuickBooks desktop.
- PayCycle (www.paycycle.com)
  — Online payroll solution for small businesses and accounting professionals.
- Corecon (www.corecon.com)
  — Construction solutions for Estimating, Project Management, Job Costing, Scheduling and Document Management.
- Oasis CRM (www.oasiscrm.com)
  — CRM, e-commerce and SFA that integrates with QuickBooks and Sage BusinessVision.
- BillQuick Web Suite (www.bqe.com)
  — Allows remote users or satellite offices to enter timesheets and billable expenses into the BillQuick application.
- Online Banking from nearly every bank. For example Bank of America's online banking (www.bankofamerica.com) is a complete, web-based application that provides online access to your bank account, bill paying, imaging of cleared checks, and reconciliation of your bank account.
- Innovative Merchant Solutions (www.innovativemerchant.com), an Intuit company that provides merchant account solutions that are integrated with QuickBooks.

If you're looking for Hosted Desktop Application providers, here are some providers worth looking at:

- InsynQ eAccounting (www.cpaasp.com)

Application hosting, QuickBooks Desktop hosting (licensed from Intuit) and many other desktop applications.

Technology

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