Integrating Ecommerce and Shopping Carts with QuickBooks... How Hard Could it Be?

Doug Sleeter • Jul. 27, 2012

Is it too much for me to ask for a well-integrated shopping cart for our QuickBooks clients?

I'm on a mission to find a well-integrated shopping cart solution for our QuickBooks clients. In The Sleeter Group's blog (www.sleeter.com/blog/2012/01), Jim Savage, our ecommerce expert, recently posted about "Ecommerce, Shopping Carts and QuickBooks." In that post, he discusses several shopping cart solutions and he gave great tips on how to choose a shopping cart. Check out the article if you want to look through the available solutions in the market.

But as you search for the best solution, consider the big picture of how your ecommerce store needs to integrate into your entire business operation. In my opinion, a shopping cart is pretty useless – no matter how good it is with building web pages – if it fails to provide a completely streamlined way of bringing customer orders into the business operation. This includes integration with inventory, pick/pack/ship, sales tax reporting, and of course accounting. Many of the solutions out there come close on some of these integrations, but let's look closely at the things I have yet to find solutions for.

Note that while some shopping carts have direct QuickBooks integration, others use some type of "middleware" solution to download orders and populate them into QuickBooks or other back-end systems. Each of these two approaches has trade-offs,

but our goal is to find a web shopping cart application that can connect directly (in real time) to the back end, whether that's QuickBooks desktop, or any other desktop or online accounting product. At The Sleeter Group, we have very specific criteria for evaluating integration features in shopping carts. While the criteria we discuss here are focused on QuickBooks, keep these criteria in mind no matter which back end accounting system you're trying to connect to. Here are the things we look for:

What connection method does the solution use to **sync data with QuickBooks**? There are many software packages out there that claim to integrate with QuickBooks, but their "integration" methodology is via the IIF file import. Any solution that uses IIF will disqualify it from receiving our recommendations. See Charlie Russell's Practical QuickBooks blog article for more details about IIF. Does it use the QuickBooks SDK (Software Development Kit) or the Intuit Web Connector? The Web Connector has been plagued with issues and is not widely supported by Intuit. Does it use the IPP platform, and therefore the sync manager to sync data with QuickBooks? Although the IPP platform has had struggles to provide developer with the functions they need, it is finally getting to the point where all developers should be using IPP and Intuit Anywhere to connect to QuickBooks desktop or QuickBooks Online.

Does it enter sales receipts and/or invoices or sales orders? Can you specify which transaction types are entered for certain transactions? For example, if the web store allows for a payment type of "Purchase Order," will it create an Invoice? Similarly, if the order is a completed sale (paid by credit card or PayPal), can you specify that it should enter a Sales Receipt in QuickBooks? Does it handle credit memos and refunds or order cancellations? How does it handle payments? Will it import merchant transactions and coordinate the batching of daily sales with Intuit Merchant Services or authorize.net?

What about sales tax? This is the most difficult part of integrating with QuickBooks for developers, and none so far has gotten it right. There are two parts to sales tax. The first part is charging the correct tax on each sale in the shopping cart. The second part is providing full sales tax tracking such that sales tax reports and sales tax returns can be created. Although we often recommend solutions such as Avalara, which provides both parts of the sales tax functions, there will be many clients who don't need or won't afford the extra costs of Avalara's AvaTax service. So in order to provide full integration in the sales tax area, the shopping cart needs to provide full sales tax data in QuickBooks. This means the solution needs to send correct sales tax items (tax rates) and codes (taxable status of customers and items) into QuickBooks

to provide accurate sales tax liability balances and sales tax reporting required by the accountant who prepares the sales tax returns. And because of constraints in the QuickBooks APIs, the only way to send correct sales tax information to QuickBooks is by populating sales tax items on line items in the body of the sales receipt/invoice. If the integration lets QuickBooks calculate the sales tax at the bottom of the sales form, you'll run into round-off errors, and problems with bank reconciliations. Another big consideration is to consider how the integration assigns sales tax codes and items to a new customer who purchases on the store. As you can see, these are hard problems, and require lots of work for developers to get it right. 90% right just doesn't cut it.

Can it handle sub items? Are the items in the shopping cart able to be mapped to a QuickBooks sub item? How does it deal with product variants (i.e. size, color)?

Does it add new customers to QuickBooks? If so, how does it format the customer name? Can it be customized in how it creates the new customer record? For example, can I ask it to create a new customer with the customer name formatted with "Last, First, Company", or "email, Zip, City", or whatever I want? Does it handle orders from "Jobs" or just "Customers"? How does it avoid creating duplicate Customer records?   Does it allow me to specify the fields it should use to match a new customer in the store with an existing customer in QuickBooks so it doesn't add duplicate customers? Does it have a way to merge customer records? How flexible is the customer maintenance section of the shopping cart? Ideally, it should have something similar to Add/Edit Multiple List entries, similar to how QuickBooks Accountant Edition does.

Does the product connect in real time, or does it post transactions on a schedule? Can you change the update frequency? How reliable is the Sync engine it uses to communicate between the shopping cart database and QuickBooks, or other back end systems?

How does it deal with transaction handling? Does it keep a transaction log of the data sync? Can it work if QuickBooks is in multiuser mode? How does it deal with errors in data (products that don't exist in QB, invalid sales tax codes, etc.)? Can you re-run transactions once data issues have been corrected?

Does the shopping cart have a **read/write API for developers** who want to create custom applications to pull and push data including customer lists, sales transactions, back order status, shipping information, package tracking information, etc.? This might be important for clients who have an outsourced shipping

department who does the pick/pack/ship process, and then needs to send shipper tracking codes back to the shopping cart so customers can view their order history, including shipment tracking.

Jim Savage and I have not yet seen an integration that gets this right. We would love to be proven wrong, but after researching many products, and trading notes among other Sleeter Group associates, we have yet to find a system that we feel fully integrates QuickBooks and satisfies our criteria. But we sure will tell the world when we find a product that gets this right, so stay tuned.

Shopping carts are something you don't want to switch very often, so it will pay you big dividends if you think through the whole integration issue before you start. I hope these criteria will help you as you go about picking the best solution for your clients.

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