

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

capable than the products offered today. Some of you are brand new to the accounting space and some of you grew up purchasing mini-computers to run software you had to write ...

Randy Johnston • Jul. 08, 2015



Accounting software choices have never been more numerous, full-featured and

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

column is trying to explain the maturing of the accounting software publishers and evolution in the accounting software market, while trying to help you fully appreciate the nuances of the evolving market and needs of clients. However, one thing has remained clear: the most important thing is to solve the client's business problem in the best way possible. Are you helping your clients do that?

Brian Tankerley CPA,.CITP, Dr. Bob Spencer, CPA.CITP and I, along with our whole [K2 team](#), have had the responsibility of reviewing and maintaining listings of leading solutions in the accounting software, ERP, reporting, analytics, and vertical market space for more than 30 years. The pace of innovation is as fast as it ever was, perhaps accelerating, and the choices are expanding. If your organization is using the same software that you have used for more than 20 years, that may be OK, or it could be a productivity drain.

So What Are The Most Important Accounting Software and ERP Programs available?

It is important to remember that several factors have influenced the direction of accounting products. A short list includes: Internet, globalization, mobilization, ecommerce, hosting (Cloud or SaaS), business analytics, and micro-verticalization. For small business services clients, the needs can be pretty simple. Adding inventory and costing frequently requires more capable software. Adding volume, multi-locations, multi-currency and consolidations requires even more complexity. As the organization becomes larger and more complex, the needs grow.

As noted in prior columns, a key concern is the lack of a selection process being applied on new system implementations, and choices being made on implementing new systems without appropriate thought about the future, or for that matter, current needs. Systems will frequently stay in place for 10-11 years, much longer than the prior 7 year average. You should choose a system that can grow with your firm or

client's needs for the next 3, 5 or 7 years. Changing systems can be terribly disruptive

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Further, if you take the time to understand a client's needs, it becomes obvious that one size does not fit all.

However, most firms can only support one or two products before the depth of knowledge required overruns the team's collective ability. This fact has led to the dominance of QuickBooks in many public practice firms because this one product could fit many clients. It also led to both direct sales by publishers as well as the traditional software Value Added Reseller (VAR) indirect model.

For example, in the lower tiers of the accounting market, including entry level and SMB software, there are a number of products that can be used by firms to support clients. Included are:

- [FreshBooks](#) – invoicing for Schedule C type clients
- [SageOne](#) – accounting and project management
- [Wave](#) – accounting with inexpensive payroll
- [BillQuick](#) – yes, there is accounting software behind this time and billing solution
- [Xero](#) – accounting with payroll and accountant friendly tools
- [Accounting Power](#) – an accountant-centric system with good payroll
- [QuickBooks Online](#) – the major focus of Intuit for accounting at this time
- [NetClient CS](#) with ACS and Client Access – Thomson's client accounting system
- [QuickBooks desktop](#) – a well-known and popular system with many installers and add-ons

However, as soon as true inventory and costing is required, we break into a new class of products that can support much larger and more complex businesses.

- [CYMA](#) – notable payroll and Human Resources management
- [Epicor Online and ERP](#) – a strong distribution and manufacturing system that also handles retail and services.

- [Intacct](#) – mid-market system supporting multiple verticals

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

- [Sage 300](#) – global accounting and distribution
- [Sage 300 Online](#) – a robust system updated for online use
- [Sage X3](#) – distribution and manufacturing system

Of note is that many of the SaaS products are being chosen because of their ability to do rapid deployment and scale up and down. While the SaaS products are maturing, the traditional products have responded with comparable or better pricing in hosted environments. In almost all cases, the traditional products have superior operational features because they have been in the market longer and more time has been spent developing complex capabilities.

For example, Epicor ERP, with the ability to be deployed in the cloud, in house or moved between either environment, has the flexibility and depth inside the product, usually without third party add-ons, to work well in a number of vertical industries including Industrial, Fluid Power, Fastener, HVAC, Medical, Petroleum, Dental, Electronics, Janitorial, Paper, and Packaging. The Open Systems TRAVERSE product was the first product offered on subscription pricing, instead of the traditional purchase and annual maintenance model, and has evolved into a hosted offering as well.

Competitors will claim that newer is better, and that they are not burdened by older technologies or limited by a large client base, doing things a “better” way. While that may be true, “better” may just be “different” and not contribute to business operational efficiency. It is probably wise to note that most SaaS offerings in the market today are ten years old or older and that most traditional products are thirty years old or more. I know a lot of really fine, sharp ten year olds, but I trust the capabilities and knowledge of a thirty year old more.

Some systems are mostly complete from a single vendor, such as those sold by Epicor,

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

used stand-alone or without being integrated to an accounting software system.

Examples here include:

- [Avalara](#) – Sales and Use Tax software to support a SALT practice
- [Bill.com](#) – an AP/AR tool that integrates to a number of systems
- [Biznet Software](#) – an Excel based reporting tool
- [Microsoft Power BI](#) – an Excel based business intelligence tool
- [Microstrategy](#) – analytics including big data and mobile
- [Palo Alto Live Plan](#) – a budgeting and planning tool
- [Prophix](#) – a reporting and budgeting tool
- [Results CRM](#) – Business development integrated to QuickBooks and other products, with project management
- [SageView](#) – a consolidated dashboard for clients on QuickBooks and Sage systems
- [SalesForce](#) – a customizable CRM product that made SaaS popular
- [Tallie](#) – expense reporting with forms recognition

Why Does This Make a Difference to Our Firms and Clients?

We can provide more proactive information to help clients make better business decisions if we can see the data more readily and more often. While most accountants remain in the compliance business, a few have ventured into the repeatable business model of accounting and payroll services. Often, a single system is chosen to create repeatable processes even if work-arounds are required. Most firms solve this problem by focusing on a single vertical market so less capabilities are needed in the software and more familiarity is gained on how these types of businesses work.

Even fewer accountants have chosen the interesting work of being a true outsourced Controller or CFO for larger clients. Industry CPAs understand right away that their roles are broad and important in most organizations. Appropriate negotiations with

banks and financial organizations, handling risk management including selecting

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

One size does not fit all in accounting software, just like one person can't do it all. Properly selected and implemented accounting products allow us to manage operations, improve the bottom line and satisfy customer demands and business goals and objectives. The tools aren't perfect yet, but they are so much better than 40-50 years ago. I'm hopeful to help create the next 40 or 50 year's worth of products and continue solving client problems.

I hope you can see the business opportunity and excitement of solving client problems, helping them be more profitable, while providing valuable and profitable client service to them.

Cloud Technology • Firm Management • Software • Technology

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved