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ACCOUNTING

Accounting Software is Making Progress

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Randy Johnston • Jul. 18, 2017



If your firm intends to be a trusted advisor in accounting, it is time to consider the myriad of changes made in the past year and announcements to be made in 2017. There are so many pending announcements from significant publishers and vendors, I can't wait for you to see what is in store. Why get excited about accounting software? Because new products created over the last 20 years are starting to mature. They have become easier to use and are more feature complete. Some pundits say that features don't matter, but features are what allow products to complete critical tasks.

While numerous jokes could illustrate this point, I'm thinking a food analogy can help you the most. Software publishers have been planning the menu for a long time. They have shown pictures of the banquet to expect and you can even smell the food cooking. The meal has been elegantly plated, and put in front of you. You haven't eaten since sometime yesterday and are famished. However, the features of utensils, chairs, beverages and teeth are missing. A few of you have decided to just pick up the food with your hands because you are so hungry. Others of you are politely waiting for the finishing touches before sitting down to enjoy the new feast. How easy is it to eat soup with a fork or a knife? Do the features of utensils and teeth matter? I believe they do.

Why Now?

Several things are coming together for this perfect storm of change:

- Cloud technologies are become more stable, faster and in general less expensive
- Connections between systems are becoming more reliable whether products are in the cloud or premise based
- Mobile enablement and/or mobile apps are increasingly planned and used
- Reporting tools, Business Analytics and Intelligence tools and interfaces to systems are more intuitive
- Large vendors like Microsoft are adding connections for PowerBI and the frequently used SQL databases interface more readily to common tools like Excel
- Many legacy products have been getting modernization and almost 100% have a hosted version if you don't want to run them on premise
- A number of publishers have products that can run on-premise, in the cloud, both or some form of a hybrid offering
- Older products are being discontinued or not upgraded

Further, specific vendors have improved their products notably or introduced new ones. Examples from A to Z include:

- AccountantsWorld Accounting Power
- Acumatica
- Biznet Software's BizInsight
- Epicor
- Intuit QuickBooks Online
- Microsoft Dynamics 365 for Financials
- Microsoft Dynamics 365 for Operations
- Microsoft Dynamics 365 Enterprise
- Open Systems TRAVERSE
- Save Live
- Sage 50c
- Sage 300c
- Sage X3
- Xero
- Zoho Books
- And many more....

Further, if you are going to be a trusted advisor that provides collaborative accounting services, you are better off choosing a tool that is hosted or that runs in a web browser. You'll likely need more than just the base accounting software product. In prior columns, we have discussed reporting tools, budgeting tools, payroll systems, time and expense tools, and many more.

You need to provide a complete solution to your client that you have thought out and can consistently provide as a service. To my knowledge, this year marks the 22nd year of my recommendations to build collaborative accounting practices. This service offering has become more popular in the last ten years or so (is it OK to say it is finally "catching on"?). Over the last six months or so, I've been warning that we are entering a phase where the service will not be as profitable for a variety of reasons. You can't expect this service to be the only offering that maintains profitability as assurance and compliance services become less profitable. As products in the pipeline are announced and become stable, we'll spend some time on "the next big thing" that you can use for improved client service and partner profitability. In the meantime, though, you can help clients modernize their systems and provide a productivity boost for their team. You can either help and learn, or you can sit on the sideline and be marginalized. Your clients will move ahead whether you are ready or not and with or without you.

What Else Is Making This Happen?

Revised and new products have additional features and new capabilities. Common capabilities that were hard to come by in the past include:

- Workflow
- Mobile apps
- Bank feeds
- Paperless documentation support for payables, orders and other documents of record
- Dashboards that allow drill down to the underlying transactions
- Smartphone camera capture and location tracking for mileage, time and expenses
- Connections to services like sales tax, reporting and other core transactional systems
- Personalization that has become far easier

For example, Acumatica and Zoho both have the ability to choose and publish only the section of the accounting software that is needed to do the job. This allows for interfaces by functional area and the ability to create workflows in addition to improving security while simplifying the work. Automated forms filling and integration into productivity software has become almost universally standard. Acumatica, Dynamics 365 for Financials, Sage Live, and Zoho all have an integrated CRM. Integrations for eCommerce are surprisingly common, and how many businesses don't have an eCommerce component today? Fixed fee implementations are very common with Epicor, NetSuite, Open Systems and others offering implementation in this style. Most modern systems are:

- Designed for the cloud with an anywhere any device approach which means a mobile and browser friendly environment
- Able to handle rich functionality with workflow
- Providing high value and allow you to configure the business system to be most useful for the company
- Able to accommodate multi-cloud systems where a workflow can start from Office 365 or other productivity software, then go to an eSignature product, into the accounting system, and return to email
- Training installers to specialize in more vertical niches and have more expertise in particular business models

So, What's Next?

Consider your needs, or your client's needs. Build a list of 10-15 key items that you need and 5-7 items you don't want to lose by changing accounting software.

Consider your workflows. If you have not mapped your work processes, you may want to consider completing this activity. Review available options as a fit for your needs, but remember to do this in anonymized browser sessions to minimize being tracked by the providers. We recommend either demonstrations of potential systems or trial periods on simpler systems to prove the fit. You can find guidance on the steps and reviews of a variety of products at www.accountingsoftwareworld.com (we don't track you here), or you can contact me directly for guidance on the process and insights on a broad range of products. BTW, we don't sell these applications, and we don't take commissions. We have had the good fortune of helping virtually every publisher whose name you recognize design and build their offerings. Yes, we do understand the good, the bad and the ugly, and you should, too. We have a pretty good idea of what is tasty, meaty, or sweet and what is poison. Isn't it time to enjoy that elegant meal?

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