By Tim McCormick, SaaSOptics

As a CPA, it’s important that you stay on top of financial operations trends and solutions, both for growing your practice and better servicing your clients. One such trend that is within reach and easy to adopt is cloud-based accounting. Today, traditional forms of managing a company’s finances with manual entry, spreadsheets and general ledger software, are slowly becoming a thing of the past. For most businesses and their accounting partners, cloud-based technology can greatly simplify financial operations, reduce risk, simplify audits and provide the peace of mind that their data is protected.

Despite these benefits, adoption still has a long way to go. A recent survey revealed that 55 percent of companies have neglected to implement basic automation technology such as online invoice approvals for accounts payable and another 43

likely that a growing number of your clients are SaaS businesses. By 2020, more than 80 percent of software providers will change their business models from "traditional" perpetual license and maintenance to subscription-based models. And today, eighty-four percent of new software is delivered as SaaS.

The nature of SaaS financial operations make automated, cloud-based financial operations a must-have. Managing the operations and finances of a traditional business versus those of a SaaS business are vastly different. As SaaS businesses grow, their financial operations become increasingly complicated and traditional accounting methods leave the door open for errors, take too much time and simply don't work. For example, mistaking cash for revenue is a common pitfall. In accordance with U.S. Generally Accepted Accounting Principles (GAAP), an entity cannot fully recognize revenue from a contract until the agreed-upon services have been delivered. With varying contract lengths, bundled services and the occasional non-standard service, SaaS businesses require the ability and the flexibility to recognize revenue in a manner consistent with their agreements and in accordance with GAAP.

The key to successfully managing the finances of a SaaS business is automation. Cloud-based solutions can eliminate the need to re-key information or manually enter data. They can automatically turn closed opportunities into GAAP-compliant customer, contract, subscription, revenue and invoice schedule and that information can also flow automatically into the general ledger system. Most cloud-based solutions will also allow you to present polished, accurate revenue recognition and financial metrics that will inform operational decisions, streamline audits and satisfy potential investors or buyers.

Cloud-based solutions also mean that everyone touching the financial operations of a business is viewing the same information, in real-time. This drives faster, better decision making. Leveraging cloud solutions for managing financial operations

When the time comes, storing a company's financial information in the cloud can take the headache out of an audit. It will ensure all supporting documents such as contracts, addendums, statements of work (SOWs), purchase orders, vendor contracts, invoices, batch deposit support and bank statements are organized in a central place. This will create a proper audit trail and allow you to quickly provide samples requested by auditors and avoid wasting time searching through documents.

It's likely you've thought about transitioning to the cloud. Taking that leap is not only beneficial for day-to-day operations, it also is a way for accounting professionals to work more efficiently, provide accurate data and capture valuable data that gives executives critical insight into the business for making smarter decisions to grow the business.

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