Accounting Adjustments

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With the proliferation of new payment and sales apps, the lack of data standards, and the ongoing labor shortage, the accounting industry is at a tipping point. Three-quarters of businesses in a new quantitative analysis report that ecommerce platforms have created additional manual bookkeeping work, with firms estimating

that these extra processing steps cost them 5-7 staff days per month. Due in part to

The survey focused on companies deploying ecommerce solutions in the retail, restaurant, nonprofit, and accounting industries, and revealed that ecommerce platforms are challenging standard accounting processes. Forty-five percent of businesses must manually adjust ecommerce payment data every month and a nearly equal percentage have to run manual reports for each ecommerce platform.

Two out of five survey respondents said they are required every month to manually reorganize or recalculate sales costs, taxes, or other items, and manually re-enter corrected totals as journal entries into their accounting platforms. Businesses across size classifications are frustrated with data inconsistencies and variations in reporting cycles across ecommerce platforms and lack confidence that ecommerce integrations will input data accurately into their accounting systems.

"The new reality of accounting requires additional hours of manual work – up to 60 hours each month, according to our survey – to capture and process data properly into accounting systems. Not only is this contributing to high burnout in the industry, but it's costing businesses thousands of dollars in lost staff time and revenue each month," said Jason Richelson, CEO & Co-founder of Bookkeep.

Of the businesses who reported that they outsource their accounting, more than half (56%) utilize offshore firms. The average monthly cost to outsource can run as high as $10,000, with varying expenses based on firm size and industry.

For instance, small business retailers (defined as businesses with five to 99 full-time employees) spend on average $6,086 per month while major retailers (defined as businesses with 500-999 full-time employees) spend on average $15,644 per month. Overall, all firms analyzed by Bookkeep combine to spend approximately $17 billion annually on outsourcing to reconcile and integrate ecommerce transaction data into standard bookkeeping journal entries and accounting software.

"While the majority of business leaders surveyed said they measure losses due to

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