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Accounting Technology Lab - Mar 2024

Hosts Randy Johnston and Brian Tankersley, CPA, discuss the discontinuence of some desktop accounting programs, and how to support your clients.

Brian Tankersley • Randy Johnston • Mar. 08, 2024

A dark blue banner with white and red text. The main title 'ACCOUNTING TECHNOLOGY LAB' is in large white capital letters. To the right, in a lighter blue rounded rectangle, it says 'NEW EVERY SATURDAY' in white. Below the title, it says 'Featuring' in white, followed by 'Randy Johnston & Brian Tankersley' in red, underlined. In the bottom left, it says 'CPA Practice Advisor' in white and red. In the bottom right, there is a red rounded rectangle with the text 'LISTEN NOW' in white, followed by a white right-pointing arrow.

**ACCOUNTING
TECHNOLOGY LAB**

NEW
EVERY
SATURDAY

Featuring
Randy Johnston & **Brian Tankersley**

CPA
Practice **Advisor**

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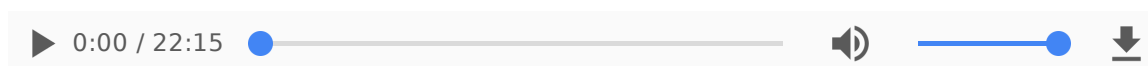
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Transcript (Note: There may be typos due to automated transcription errors.)

SPEAKERS

Brian F. Tankersley, CPA.CITP, CGMA, and Randy Johnston.

Brian F. Tankersley, CPA.CITP, CGMA 00:00

Welcome to the accounting Technology Lab sponsored by CPA practice advisor. With your hosts, Randy Johnston, and Brian Tankersley.

Brian F. Tankersley, CPA.CITP, CGMA 00:00

Welcome to the accounting Technology Lab sponsored by CPA practice advisor. With your hosts, Randy Johnston, and Brian Tankersley.

Randy Johnston 00:11

Welcome to today's accounting Technology Lab. I'm your host, Randy justo with co host, Brian Tankersley. Today, we want to speak a little bit about the QuickBooks Desktop discontinuation announcements, those first started surfacing in the November timeframe along with the changes to the pro advisor program. And what we're concerned about for you and your clients is, if QuickBooks Desktop has been in use, what are the alternatives now not everything's going away, QuickBooks Enterprise will continue to be there. And there's certain rules under which desktop

will exist. But fundamentally, the days of QuickBooks Desktop Software look like to

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Oh, what I would say about the discontinuation of QuickBooks Desktop in here, here's what they've announced. Okay. So as of July 31 2024, you will not be able to purchase at any price, a new subscription to any of the QuickBooks Desktop or Mac versions, okay. So, desktop Pro Plus Premier Plus Mac Plus desktop enhanced payroll will all be closed to new customers starting July 31. Now, Intuit says you're going to be able to continue to renew your subscription after July 31. But they will not commit as to when they they're they're planning on discontinuing it, okay. So they're not telling Wall Street, they're not telling us they're not telling anybody. Okay? So I want you to understand that this, this thing, the reason that you're going to be approached and you're going to need to talk to your clients about this is that is that we don't know when Intuit is going to put it into this. Now we'll talk, I'll talk to you about some of the other products they discontinued, including QuickBooks point of sale, but when they discontinued QuickBooks point of sale, and some of the foreign versions of QuickBooks Online, people were given, you know, one year or less to make the change, okay? So this means that you need to be prepared on a hurry up basis to make those shifts away from desktop, QuickBooks and onto other things. And so as a practical matter, I'm going to suggest that, you know, for you know, if you've got a lot of clients that are on this, I'm going to suggest that you need to start talking to them about making some kind of change, making some kind of plans. Okay, and, and again, go ahead, ready?

Randy Johnston 03:08

Oh, sorry, I didn't want to interrupt you. But I was just wanting to make the point, whether you're listening to it, you know, before the July 31 2024, discontinuous, or afterwards, and you're kind of in reaction mode, you got to have a plan here. Now, it turns out that into it at the beginning of 2024, increase their fees for their QuickBooks, desktop payroll, you know, \$4, and so forth. But the idea here is that

intuits profitability motivation on these lines, I think is partially to drive users to

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in the early 1990s, I think you're talking about, and one has been a slow moving train wreck for three or more years. And it actually started before the pandemic. So I think it has very little to do with that. And it actually in my mind goes back to the three years sunset of code, simply because they didn't want to have to support older versions that I get.

Brian F. Tankersley, CPA.CITP, CGMA 05:22

And I will say that, that this is very much like the death of a pet or, or, again, a family member. It's a, this has been something that has been constitution level, significant in in the accounting profession for many, many years. And the, and it's going away, but I think it also cements that Intuit is more committed to being a financial services and a and a consumer driven company than a business driven company. So they're more about b2c than they are about b2b. And so I think that's an important thing that we need to think about here is that, I don't think you're gonna get much notice when they decided to kill this off. Okay, I don't know when it's going to be it could be two years, it could be 20 years. Okay. But I think that you need to, you need to, again, have some kind of plan in here. Now, just

Randy Johnston 06:21

to that point, we're in early in my career, I always encourage CPA firms to have the primary product that they were using and a backup product. And in the early days of tax when there were 100 products that made even more sense, because you just didn't know when your product was going to be discontinued. So reaffirm

Brian F. Tankersley, CPA.CITP, CGMA 06:40

that that had such a failure in their tax software, that they during tax season switch to a new piece of tech software in the mid 90s. And so, this is something that

happens. And we have to, you know, we have to have a plan B, because we're we're

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to go ahead and talk about the QuickBooks point of sale being eliminated, and how Shopify was deployed for that.

Brian F. Tankersley, CPA.CITP, CGMA 07:32

Yeah. And again, into it's done a number of things. So they haven't they haven't completely given up on the accounting profession, they did launch their tax advisor application that integrates with with certain Pro Series and as well as tax online \$75, a client at strategies at the time we we learned of it from Jason Stein, we also have, we also begin in QuickBooks Online, as announced as automation for people using Amazon Shopify and eBay commerce stores, I will tell you that I went to a B show a about about a month ago. And they were actually using Shopify, where in the past, they've been using QuickBooks point of sale. So it was, it was very clear that that's in here. The other interesting part there is that Intuit, by getting rid of their point of sale has kind of made Shopify a little more friendly to them. So you know, and if you think about it, they're Shopify is really is really one of the big threats if we move away from full GL accounting, and we started looking at business management. So it's a interesting, interesting bargain they made there.

Randy Johnston 08:42

And one other little deal on that is I had perceived that online commerce was much larger than it was. Now Shopify is the number one ecommerce product in the US market. But bricks and mortar sales are still over 95%. In fact, one stat that I read within the last week or so before, US recording this podcast, said that it was actually 99% is still bricks and mortar purchases, even including Amazon. And I'm like, my, I want to verify this guy's statistics. But I just want you to be aware that, you know, bricks and mortar point of sale and so forth is still a big deal. Yeah.

Brian F. Tankersley, CPA.CITP, CGMA 09:28

Now, let's talk about what your options are. If you're gonna get off of QuickBooks

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and up and 20 plus employees. So what I want you to see here is that these have three different price levels in here. Okay, so the entry level products listed out QuickBooks Online. You know, you've heard us talk about Xero in the past and sage 50, the former Peachtree and QuickBooks, and QuickBooks Enterprise is also a choice. Now Intuit again would like you to go to QuickBooks Online. However, if you go to QuickBooks Enterprise, they won't shed too many tears because that, you know, the I can't remember the entry level cost of a single user of QuickBooks Enterprise, but it is it is astronomical, compared to compared to the pro and premier products. And the MAC products that are being discontinued. zero of course is got zero and sage 50. Both are interesting. Zero is towards sage 50 is a desktop product, and it is getting a little long in the tooth. But if you know sage doesn't seem to be backing away from it. Also 00, again is a is an interesting platform. It's done very well outside the US. And I think they will come back and be I think this will drive a lot of traffic toward them.

Randy Johnston 11:28

In just, I don't want to be too time constrained on this, Brian as you're talking about it. But for example, Zero has three different levels. And you can listen to this in a different podcast, you can look at the current information on the website. But typically Zero has been selling their mid product for about \$42 per month. And they're promoting a right now for \$10 per month, stunning discounts. And I think that they I would say some of these vendors may see that there's blood in the water, if you will. And they're actually you know, throwing little more chum in the water at the same time. And you are absolutely right sage 50, both sage 50 us and sage 50. Canada, they just have enough extra horsepower, that they make great sense. And honestly in the Prop value segment the accounting suite folks or the Zoho books or for that matter, Zoho one, you know, when accounting suite in May of 23, changed from a user count to unlimited users, many of our listeners could get by quite well

thank you on the business version at \$25 a month for unlimited users as long as you

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you here is that these prop solutions may be an interesting place. And in particular, I think I think Zoho books and accounting suite both are particularly interesting. The Aspire systems in gravity are also great solutions. They do not have neither of those have the multiclient interface thing though, like Zoho books and accounting suite for our practitioner friends. Yeah, that's

Randy Johnston 13:43

right now, if you go on up, a little bit more upmarket. And again, Brian, I consider you one of the pros in the country on add ons to accounting software. But if you look at your base subscription, and all the add ons that it takes to make something work, when you're at the entry level, you almost always need add ons at prop you may or may not need them. And in mid market, you may or may not need them. But if we consider that sage intact, or Microsoft Dynamics 365 Business Central are routinely in the \$70 a user a month type of pricing up to maybe 125. I can see that the likes of Oracle, NetSuite sage intact and Microsoft Dynamics 365. Business Central could take over a lot of the QuickBooks, enterprise space and possibly even some of the Pro and Premier space. But your point of the client dashboard, we really only see that and sage in tech now and we might see it in NetSuite this year. And if it happens to work like that, all of a sudden you're going to have a variety of competitors. The best new competitors you just correctly called out though is this Zoho practice That's the best multi user client dashboard development that I've seen in, I don't know, five years, 10 years? I'm not sure it's been quite that long, but a long, bloody time.

Brian F. Tankersley, CPA.CITP, CGMA 15:12

Well, it kind of helps that your former partner, Val steed, that's a seat that was a CPA in practice for many years, and then worked with us a que tu for, what, 25 years, 30 years, helps that he does the accountant relations as and, you know, I think I think you know, then you look at, you look at the accounting suite product and what they

do with inventory, which is, you know, and again, both of those aren't cloud

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things from saying it from Dynamics 365, as well, in particular, because such a person as an Adela, who's now the global CEO of Microsoft, actually worked in the dynamics division at one point. And so, you know, the the thing about this is that, I think you do have a lot of good choices. And in the future, in future episodes, we're gonna go through and talk and revisit many of these products and show you some of the things here so that you can see the evolution that's happened since we first covered these products about three years ago. Yes.

Randy Johnston 17:01

And you know, one other core question that I'm asked frequently, and we will want to come up with a better answer for you, Hey, I like stuff not running in the cloud. That's why pick QuickBooks Desktop or enterprise or whatever. And clearly, spire systems in this list can run in that style. Clearly, Sage 50 can run in that style. Clearly, Simon, who you didn't list in running that style. Matica

Brian F. Tankersley, CPA.CITP, CGMA 17:28

vacumatic is another one that I should have listed. And I can't believe I omitted him here. But but they should have they should have been in that list,

Randy Johnston 17:36

too. Yeah. And so as it turns out, there are some viable premise based private cloud products that can absolutely be used. So again, I'm not trying to put a dog in the hunt one way or the other. I wish the hunt didn't have to exist at all, and that Intuit wouldn't have made the decision and announcements to say, yeah, that QuickBooks Desktop thing, it was good for us. And it helped us build the business. But yeah, we're done with that.

Brian F. Tankersley, CPA.CITP, CGMA 18:06

But I think you have to be realistic about this, because nobody's gonna pay your

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Randy Johnston 18:45

so to be a little more straightforward on that. And I know, Brian, you were trying not to say it this way. But I'm willing to put my reputation on the line on this one, and you would be to Idaho. A number of products have a kill switch that have been installed by the vendors. And the kill switch can turn the software off. Now we know there's legal implications if you disable a business by turning on kill switches, that didn't stop vendors from putting kill switches in their software for licensing and other reasons. And I've always worried that bad actors, hackers could step in and just activate the kill switches, which, technically, I know exactly how to do that. And I'm just surprised the bad actors haven't figured that out. I hope that the bad actor hasn't listened to this episode and comes up with that idea because of this. But we caution you that you may feel like you're in a great position. And all of a sudden, one day the software just didn't work. And you're dead in the water. Stop coding your tracks. So we're not trying to be alarmist we're trying to be defensive for you and proactive with this particular episode. And it dawned on Brian as we spent time together in the in the past week before recording this episode, that we really need to go back and revisit these things to help you understand how the landscape is changing, and the types of things that you have to do. So Brian, I know we're gonna have lots of exciting podcasts in the future. But any parting thoughts on this Intuit QuickBooks Desktop situation? Well,

Brian F. Tankersley, CPA.CITP, CGMA 20:21

I just think it's, I just think it's a contingency you have, in particular, for our friends in public practice, I think it's critical that you that you have somebody that is up to speed on these issues, that can talk to clients about these about this, simply because they're going to be coming to you asking about this. And you need to be ready because you know, God forbid, into it decides that they're going to, they're going to

cut this off, let's say sometime in the first quarter. I mean, that could be a very, very

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Thank you. And I think there's just a couple of parting thoughts from my side. We're not taking our eye off the ball of cloud or Kas or AI or any other innovation. We're just trying to be a little defensive for you. And number two, we have read everything that's publicly facing and had conversations on this. So we do encourage you to look at the email announcements from November and December from Intuit, they made multiples, and they were pretty clear about what they were saying. And we think you've got to take steps to protect your clients and to protect your firm's particular few years QuickBooks Desktop. Well, we always appreciate any time you spend with us in the accounting Technology Lab. And we always try to cook up something new for you and try to keep it from exploding in the lab. And this one might if you don't do something soon, all the best to you will be again. They'll be back with you get interviewed. Thank

Brian F. Tankersley, CPA.CITP, CGMA 22:25

you for sharing your time with us. We'll be back next Saturday with a new episode of the technology lab, from CPA practice advisor. Have a great week.

= END =

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