

## Things to Think About When Choosing Cloud-Based Accounting Software.

At Robertson Associates, we are always banging on about “knowing your business numbers to grow your business numbers”. We do this, because knowing your numbers, particularly your current financial position can be the difference between success and failure in business.

In the past many businesses used desktop software to help and, while much better than the old paper based approach, did have some drawbacks. For example, such software often came with a hefty price tag for licenses, some used accountancy jargon. With others, sharing the information with your accountant usually involved downloads and uploads of various files which could take time and often you (or if you were lucky) your IT people had to arrange for software upgrades to be done.

In recent years, accountancy software has moved on leaps and bounds. Many software packages are now based ‘in the cloud’, which is jargon for - not on your PC or server, but on a big extra-secure company server. You usually pay a monthly license fee for the software and, for this, all the security, data back-ups and software upgrades are taken care of.

Many packages have also moved away, a little at least, from accountancy jargon and use more recognisable terms. Some allow remote access by your accountant at the click of a button (with your permission) and some have added business friendly features such as estimates, invoices and sales receipt as well as integration with other software applications (apps) for stock control or payments.

The Government’s ‘Making Tax Digital’ agenda, means that over the next few years most businesses will need to submit records quarterly for tax purposes. This has the potential to be a lot of work for you, your accountant and bookkeeper with an impact on fees. The use of cloud based software has the potential to make it much easier and quicker for you and your accountant to keep the workload manageable and your fees reasonable.

While the Government has advised that there will be free software options available to help there is still no clarity on what these might be or how well they will work and it is doubtful whether they will offer the additional benefits that cloud accounting software can.

We’ve recently reviewed several in the market place and have put together our top ten things to think about before you buy, to help you pick the best one for you.

### 1. Do you have decent internet access? Obvious but crucial!

Most of the software can work over standard internet and mobile access and these days many of us take internet access for granted. However, you may live in an area where coverage can be patchy or unreliable. There is nothing more frustrating than to get yourself in the right frame of mind to ‘do the books’ and then not be able to access the software due to low download/upload speeds. Check out the requirements and consider this in light of your internet download/upload speeds. If you want to share data securely with your bookkeeper or accountant, then they need decent access too.

## 2. What do you need the software to do?

Accountants often only want the info that will help them prepare your accounts, which is fine to a point, however the software available now offers businesses so much more.

For example; do you want to

- know who owes you money and who you owe money to?
- set up daily bank statement feeds so you no longer have to upload bank statements or key in transactions?
- prepare estimates for jobs/projects and to convert these to invoices and email to customers?
- prepare sales receipts and email them to customers?
- prepare your VAT submission and submit online?
- straightforward payroll for staff and manage their time and expenses through the system?
- simple stock inventory?

Also, do you have different departments within your business and need to set budgets and monitor finances for them?

Take your time to think about what would help your business run more effectively. If you can't get everything you need in one software package, look for apps and see what integration is available and even what might be in the planning. It pays to ask the company because many have development schedules for enhancing and improving their offering and what you want might be next on their list.

## 3. How many staff will use the software and how many transactions do you have?

Some companies charge a flat fee with unlimited users, others charge based on the number of transactions that you have on a monthly/ quarterly basis. It's always best to check the pricing structure and compare to your needs. The option that initially looks the cheapest may not be once you factor in the scale of your operation.

## 4. How easy is it to use?

This is a critical matter for most business owners. While you need to take time to understand the financial picture, you probably don't have time to learn complex software. The best way to check is to take out a free trial and spend a little time 'playing' with it. Check out the basic training, and whether there are webinars and videos so you can learn what you need to from the comfort of your own desk. Ask whether your accountant is equipped to train and support you using the software.

5. Is the language straightforward?

If you've been in business a while you are probably already familiar with a range of accountancy based jargon so this is likely to be less of an issue. However, if such jargon is just not your thing, you may prefer plain English! A free trial is the best way to check out the language used and how well it suits you.

6. Reporting

The older desk top systems for cash accounting usually only provided the basics that your accountant would want – e.g. trial balance, profit and loss statement, balance sheet, VAT returns. The newer cloud based software have many more reports, depending on the functionality. Several even have a dashboard with your key business facts and figures at a glance, even from your mobile phone, so you can see how your business is doing daily.

7. Is there easy access to an audit trail?

Most software packages have an audit trail of who uses the software, for what purposes and when. If it's just you using the software then an audit trail is less of an issue, but if you have a few members of staff using it and you need to see who has been doing what then an audit trail /report that's easy to find and easy to understand can be very handy. Check to see if it easily available.

8. What kind of support is available?

Some have 24-hour phone lines, others offer the usual office hours with email and chat at the weekend. Others have online help and online videos and some even have an online community where you can ask other users of the software for assistance. Check what's available and think about what suits your business. For example, if you like telephone support and tend to review your finances in the early evening then office hours phone support won't be helpful.

9. Do you need it to link to other systems?

Do you already use or want to use apps (applications) which can integrate and reduce data entry time, for example software for card payments, expenses management, purchase receipt management and many others? Look on the company websites for 'applications that integrate' with their software.

10. Is your accountant 'partnered' with any software provider?

A good accountant should be able to work with whatever software you choose. However, many of the software providers have 'partner programmes', which means accountants can provide more support to clients. They can become certified in the use of the software, set up and help implement the software for clients and be a first port of

call when something is tricky. They can also access your details simply and regularly, providing you with timely business advice as well as accounts. It's worth checking if your accountant is partnered with any software supplier before you buy because if so you may be able to benefit from additional support.

This list is not exhaustive but if you can answer these questions you are much more likely to get a cloud solution that best fits your needs and your pocket and not waste time and money on putting in the wrong option.

If you need any advice with this contact us at Robertson Associates Ltd and we can help narrow your search so you can get the best software for you – [info@mraca.com](mailto:info@mraca.com). Tel: 01324 633550

Susanne Harrison  
MAPM, MAC, MNLP, MILM.  
Robertson Associates Ltd.  
Falkirk