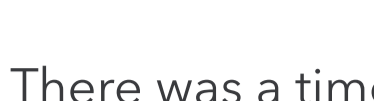


## BOOKKEEPING

# How accounting software doubles your business efforts

By [John Shieldsmith](#) January 24, 2020



There was a time when accounting involved reams of paper, a calculator and, most likely, a funny visor. While you can still wear a visor, the days of manually crunching numbers are long gone.

Enter accounting software. [Accounting software](#) has streamlined [small business accounting tasks](#) and other financial processes. Accountants themselves are still an important resource for your business, but the software can be a huge help. Setting it up is rather painless, and it offers a number of benefits.

## What is accounting software?

Having accounting software is like having a digital bookkeeper. With the right accounting software, you can digitally manage inventory, [invoicing](#), bookkeeping, business bank accounts and more. In short, think of your accounting software as a total accounting solution for all things accounting. (That's a lot of accounting.)

Accounting software probably sounds pretty great right about now. That's because it is. (We at Quickbooks® may be a little biased.) But, to simply say it streamlines the accounting process is underselling the benefits it can offer your business.

## The benefits of accounting software

As your customers, vendors and transactions increase, managing them manually, or even in something like Excel, becomes exponentially more complicated. Reporting – which requires you to manually enter specific formulas to get the information you want – becomes particularly time-consuming when working with large amounts of data.

Also, spreadsheets are only as accurate as the person entering the information, and studies show the [error rate increases with the complexity of the spreadsheet](#). Just ask [JPMorgan](#) about the devastating effect an Excel blunder can have on the integrity of your data.

But, enough about the devastating potential of spreadsheets and pencils. What can accounting software do for your business? A lot. Here's a look at the benefits.

### Software is scalable

Spreadsheets or even notebooks can work for financial tracking in the early stages of business. But, once your business grows even a little bit, you're left with a financial management nightmare. Entering thousands of line items in a spreadsheet can take a ton of time and leave room for error. In short, your spreadsheet or notebook simply won't grow with your business in a healthy way.

Unlike spreadsheets, accounting software is designed to scale with your business. The best accounting software can handle your accounts payable or accounts receivable, no matter the size of your company. You can also sync your accounting software with your e-commerce platform, meaning you don't have to manually enter anything. You can even [track inventory](#) with some accounting software, taking that off your plate.

As your business grows, any reduced work will be welcomed and allow you and your employees to be more productive.

### It saves time

Because these programs can pull real-time data from your financial institution, you'll save time on data entry and have more accurate records. This can make bank reconciliation a breeze, as your books will always be up-to-date. (One could even say your books will be quick.) Many accounting software solutions can also automatically handle [double-entry accounting](#), meaning you don't have to manually enter the same set of data twice.

Small business owners can't always afford a full-time bookkeeper, so having your financial data automated can not only save you time, but also money. This frees you up to focus on the bigger picture: project management, employee training, etc.

### You'll have deeper insight

Spreadsheets can have some added functionality, but it often requires knowledge of various commands. Even then, spreadsheets can only offer so much.

The right accounting software solutions can give you access to a number of accounting tools and analytics. Your financial records can turn into in-depth reports on project profitability, quarterly analysis and more. This information can help you determine how your business is doing and help you prepare for tax time.

Some online accounting software even offers time tracking. This will allow you to see how your employees are using their time and help you determine whether you're running your business efficiently, if projects are on track to be completed, and more. This is especially important if your business is new, as poorly-used time can cost you a lot. When you track time, you can make sure you and your employees are getting the most out of every hour.

### (Digital) paper trails

With accounting software, you have updated access to financial statements, including spending. Many accounting solutions will offer the ability to have multiple users. Coupled with the digital trail that accounting software leaves, you can see which users completed which actions. If there was a mistake made, a payment processed, and so on, it will all be tied to a user.

These digital trails also help you during tax time and in the event of an audit. It's easy to lose paper receipts. By having everything digitized, you're able to quickly prepare for any kind of tax event and protect yourself and your business. What's more, your tax accountant will thank you when you show up totally prepared.

### Better cash flow management

Few things can tank a business like cash flow problems. Accounting services can help you manage your [cash flow](#), but they can also be costly. With accounting software, you can stay on top of cash flow yourself while ensuring things are accurate.

Accounting software helps you stay on top of your business finances by streamlining your accounts payable and receivable. These two departments can impact your cash flow more than most, so keeping them accurate is paramount to success.

### Anywhere access

Most accounting or bookkeeping software will offer accounting apps. For example, QuickBooks Online offers apps for iOS and Android that allow you to check your finances from anywhere in the world. Not only does this give you access to your financial reports, it allows you to set payment reminders, handle online payments, monitor your bank feeds, take care of invoicing, [manage expense tracking](#) and stay on top of your business needs in general.

When you're running a small business, vacation can be difficult to come by. Stepping away from the business often turns into unnecessary stress or requires you to your business on ice. By having access to your accounting from anywhere, you can leave someone in charge of the business but still have your finances within reach. Not to mention, most accounting software will come with customer support, which can help you feel a little more at ease when stepping away.

Business owners need to unwind, possibly more than most. This lets you do just that.

### General management awesomeness

In many cases, accounting software practically doubles as general business management software. Things like inventory tracking, [payroll services](#) and even multi-currency functionality make it a one-stop-shop for small business owners.

Even if you're a freelancer or a self-employed business of one, accounting software can help you feel like more than one person. You've got enough on your plate, there's no need to manually handle tasks like tracking purchase orders or updating a balance sheet.

## Tips on implementing accounting software

Small business accounting software can be a boon to any company. Most accounting software is user-friendly and fairly easy to implement, but there are still some steps you can take to make sure you have an easier transition.

### Preparing your data

Most accounting programs can readily import Excel files or other sheets. However, they don't automatically know which information goes where, so you'll have to reformat some of your data.

Whatever accounting software you choose will have requirements for the way information is ordered. For example, if your customer data spreadsheet places the company's email before its phone number and your accounting program wants it after, you'll have to reorder that data in your Excel file before you import it.

Your program will probably also have requirements for column headings, formatting of dates and currency, character limits, and so on, and they'll likely differ for each type of list you're importing (Customer, Vendor, Account, etc.). Check the instructions for your particular software and edit your spreadsheet data accordingly.

This is also the time to clean up any data-entry errors if you haven't already.

### Making the switch at the right time

The obvious time to switch over from an Excel-based or other sheet-based system to your new accounting software is at the end of your business's fiscal year. That makes for the smoothest transition as all your accounts are reconciled, year-end reports are finished, and final adjustments are complete.

But the truth is, you can change systems any time of year you'd like. For the smoothest transition, pick a time that's not exceptionally busy for your industry and that's at the end of a month, quarter or other clear-cut accounting period.

### Handling the transition period

Even if you've done the necessary prep work and chosen the least disruptive "go live" date, you're bound to hit some speed bumps during the transition from spreadsheets to accounting software. Give yourself time to acclimate to the new workflow and resist the urge to attribute every difficulty to the software.

That said, don't hesitate to use your program's support options when necessary. And no matter what, run your old and new accounting systems in parallel for a short period until you're sure the new system is running smoothly.

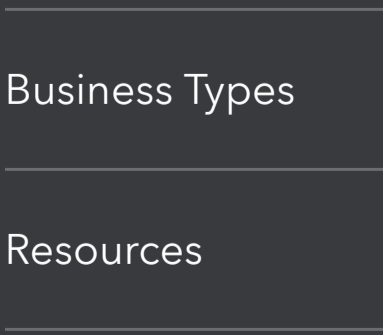
## Your new favorite accounting software

No two accounting software solutions are going to be the same. There are countless free accounting software solutions available, and many paid options as well. No matter what you go with, make sure you find something with high ease of use, great customer support, and any accounting features you feel are most important to your business. If you can find something customizable, that's an added plus, as you can truly make it yours.

While we at Intuit® may be a bit biased, accounting software really is great for virtually any business, no matter how big or small. Your time as a business owner is limited, and nobody has time to deal with accounting mistakes. Do some research, ask yourself what features matter most in your accounting solution and find accounting software that's as awesome as you.

### Bookkeeping

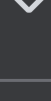
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