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INSIGHTS FOR CONSULTANTS, RESELLERS & TECHNOLOGY PARTNERS

Knowing You've Outgrown QuickBooks

John Peace, COO

Most midmarket ERP software implementations are accomplished with moving off QuickBooks and for the most part, users can plan and execute the transition rapidly. And with the right consultant, the transition can be planned and executed rapidly, but how do you know when it's time?

For most startups, after one or two years of growth QuickBooks features will not be robust enough, and thus QuickBooks does not compare to other ERP software solutions. Clear signs that it is time to move on are when almost all reporting is done in Excel and QuickBooks is being used as a check writer and for journal entries only (all other ERP processes are being done in disparate systems).

Here are some other signs that you are outgrowing QuickBooks. Most of them involve figuring out where your bottlenecks are in the daily, monthly, and annual accounting cycle:

- You need a better way to create consolidated financial reports for multiple companies, with the ability to format the reports any way you want.
- You need to either consolidate companies with multiple currencies into one currency or process multi-currency transactions within one company.
- There are more than 2 users, and you need to be able to add full access and read-only users as needed.
- There is a need for audit controls and SOX compliance.
- You need flexible automated workflow for PO requisitions and vendor invoices. You need to import data from outside systems (i.e., customized billing system, payroll entries, or payments from another system).
- You need to enter more than a few transactions a month
- It takes too long to get financials each month
- It takes too long to bill clients
- You cannot determine your true cash balance
- You are spending too much time on duplicate entry of data into multiple systems.

Sometimes companies insist on hanging on to QuickBooks because they believe that a change would take too long, it's too expensive or they think they will lose their QuickBooks history if they change to another system. Some have built their internal processes around QuickBooks processes, and although it may be inefficient, people are used to it. Also, they believe that the status quo is fine—until they lose their main QuickBooks user or their data gets corrupted.
The next step is to prioritize your functional requirements—which ones are critical, important, or "would be nice to have." Then, come up with a ballpark figure for what you are willing to pay for this on a monthly basis and research what systems are available to meet your needs.

Some businesses choose to stay on QuickBooks until the proper staffing within the accounting department allows for change. For the most part, staff must be able to get the day-to-day work done and spend the time to effectively set up a new system. You need at least a few true accounting personnel to run a midmarket accounting system. Traditionally, in QuickBooks environments, companies have all "non-accounting" users.

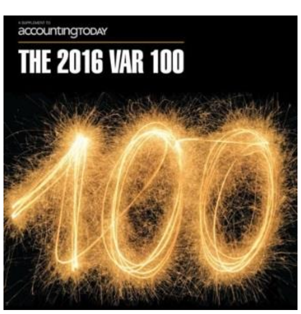
Preparing for the transition can be easily accomplished in the cloud or on-site, but here are a few tips:

- Genuinely like and trust the software implementer you decide to work with. Ask for references and check them.
- Ensure that the data in QuickBooks is accurate. You cannot expect to convert inaccurate data and have it be a good starting point in a new system.
- Have the proper staff in place on your end.
- Determine who will be the project manager on your side to use as a point person for the project.
- Make sure that all staff vacation and time-off schedules are known in order to assist the software implementer in coming up with a project plan. Keep modifying the plan as adjustments come up. This allows for a series of small accomplishments along the way and keeps everyone focused on the goal.

QuickBooks is a common choice for startups, although some may choose otherwise depending on users and functionality. Much of the early on choices do affect long term goals.

John C. Peace is COO of Accountnet Inc., New York City-based, Microsoft Dynamics GP and Dynamics SL Value Added Reseller (VAR) with Microsoft. Accountnet services include SaaS and Hosting for Dynamics and Dynamics 365.The firm focuses on software for ERP, reporting, workflow and procurement with specialties in the financial services, healthcare and the professional services market. In Association with CPA firms, Banks and their customers. Member of the Hedge Fund Association, American Bar Association, Downtown Association and serves on the board of a nonprofits and communities in lower Manhattan, known as FiDi.

John Peace can be reached at jpeace@accountnet.com or visit microsoftfinancialsoftware.com



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