accountingseed

Accounting Software Buyer's Guide

EXPERT ADVICE ON WHAT YOU NEED TO KNOW WHEN CHOOSING THE RIGHT ACCOUNTING SOFTWARE.

accountingseed

Contents

Overview

HOW DO YOU CHOOSE THE RIGHT ACCOUNTING SOFTWARE FOR YOUR BUSINESS'S UNIQUE NEEDS AND SUPPORTS CONTINUED GROWTH?

Businesses search for new accounting software for a variety of reasons. Sometimes it's forced—the current accounting vendor is sunsetting or discontinuing their software. Other times it's internally driven; the current system can't keep up with growth or there's a need to align data across departments.

Most buyers look for the immediate fix: what is the accounting tool that will give me the functionality I need right this moment? The problem with this mindset is when you just buy a solution for your current needs, you risk quickly outgrowing it.

For most organizations, the intent is to keep growing—which naturally brings change. The complexity of your business won't stop with the accounting solution you purchase. It'll only ramp up. Choosing accounting software that has the flexibility to scale and be customized to suit changing requirements is important to consider.

When you begin your search for new solutions, don't just think about your current pain points. Think about where your business is looking to go; consider the likelihood of growth and expansion. You need a solution that meets the needs of your individual business processes; one that's adaptable enough to solve your problems now and in the future.

As your business becomes more complex and unique, it's important to use an accounting solution that can adapt to your critical requirements. To help you get started selecting the best accounting solution for your organization, we've put together this accounting software buyer's guide with the help of our internal Accounting Seed staff, including Certified Public Accountants employed with Accounting Seed.

Part 1: Thinking about switching accounting software

Three things to know when choosing accounting software

In today's environment it's hard to not be aware of how rapidly technology changes. But it's not just the latest smartphone that's different. The last 10 years alone have seen the highest rate of development for software using the web—that includes accounting software. It's important to understand as you begin your search that accounting technology is now governed by these three innovations: the Cloud, APIs, and automation.

The Cloud

All modern business IT is now being built and deployed "in the Cloud," through the Software as a Service (SaaS) model. Basically, instead of using the software on a local computer or server, cloud-based accounting software is accessed through the internet on a remote server. This allows for increased accessibility and scalability, as well as automatic software updates and backups. Cloud accounting has made it possible for companies to make better decisions. The cloud also allows your accounting solution to work with other cloud-based solutions.

API

Without Application Programming Interfaces—or "API's"—integration and IT flexibility would be impossible. APIs literally enable different software to communicate with each other. Because of this, APIs are a critical component of cloud architecture. APIs provide "building blocks" for programs (also called applications or "apps"). They define functionalities while allowing programs to respond fluidly to requests, even independently of their out-of-the-box parameters. This means that the software can be flexible and heavily responsive to users without compromising the overarching IT structure. This becomes very important when you have software that needs to meet individual requirements and connect with a variety of different applications. A robust API helps solutions be both exceptionally flexible and connect more efficiently with other apps.

Automation

Click a button or schedule a routine, and a task—or several tasks—are completed automatically within the Accounting Core software. Automation is making accounting faster, more reliable, and less dependent on manual data entry than ever before. There are several types of automation available to make all your web-based solutions perform at a highly efficient rate and with reduced oversite. For accounting, this means less tedious bookkeeping and more data to help you grow.

Where are the boundaries for accounting in technology today?

Accounting begins when debits and credits are entered into the general ledger. Things like pricing, time tracking, and project management can use accounting data, but these are not accounting events if they don't produce debits and credits in the general ledger. Only when you establish a transaction resulting in debits and credits do you create assets, liabilities, revenue, and expenses for which value must be recorded.

> *More information:*
> ## What is Integrated Accounting?

Many people confuse what constitutes pure accounting technology because these boundaries seem to blur with what are sold as accounting functions, but are not. When people think of Enterprise Resource Planning (ERP), they assume this is a comprehensive accounting system. But this isn't the case, it's actually a system combining operations and accounting.

Accounting software systems manage the processes of recording and managing the debits and credits created by business transactions. ERP is a business management system that hosts accounting alongside related operations in the same IT environment. ERPs house operations like order fulfillment, resource planning, and procurement—processes that may use accounting data but do not assign and manage the respective debits and credits. What's further confusing is ERPs often do house accounting functions. However, this doesn't mean the only accounting systems available are ERPs or that ERPs are the best accounting solutions available. Today, accounting solutions exist as standalone accounting apps or on platforms.

No matter what solution you choose, you must clearly define accounting boundaries. Otherwise, critical data errors and disruptions will likely occur. These boundaries enable your accounting team to truly isolate and analyze the financial dimensions steering your business

What role does the accountant play in a company that has adopted modern accounting technology?

Today, the highly skilled accountant is the curator of your financial data. This role is growing with modern technology in how they gather and analyze data to help you lead and grow your business. Cloud-based accounting technology is the key component of this shift. As manual entries get eliminated with automation, accountants are freed to be value-added guides and consultants rather than just number crunchers. This is ultimately what you want.

Data is decisive, now more than ever, in such a fast-paced IT environment. In addition to overseeing transactions and consolidations, monitoring accounting data is important for maintaining your company's financial health. When you investigate accounting solutions, really consider how it will let your accountants collect, visualize, and analyze this data. Your system should help them do their job without skipping a beat. A few questions to ask are:

- Does the system provide an audit trail function to track specific information?
- Is the accounting system easy to use and adaptable to business needs?
- How efficient are accounting processes?
- What's the level of automation capable of being achieved in the product?
- How flexible and robust are the reporting features?

Give your financial experts the system that helps them do their job to the peak of their ability and your company will immediately benefit. Improved workflow, expense management, and decision-making are just a few proven results.

Part 2: Things to look for

What is considered standard functionality in accounting systems today?

A lot of accounting systems are equipped with core fundamental functions. For example, most applications will be cloud-based, able to email things like invoices to customers and stakeholders, and perform batch billing processing.

Here are the standard features and functionalities you'll need to look for when choosing the right accounting software:

General Ledger	Banking	Accounts Receivable
• Multi-book (Cash & Accrual) • Multi-currency • Multi-company • Budgeting • Financial Reporting	• Bank Direct Connect • Bank Reconciliation • ACH Debits & Credits	• Billing • Cash Receipts • Collections • Revenue Recognition • AR Automation

Accounts Payable	Orders	Inventory
• Vendor Invoicing • Cash Disbursements • Expense Recognition • AP Automation	• Sales Orders • Inventory Allocation • Packing • Shipping • Purchase Orders • Drop Ship Pos	• Bundling (Kitting) • Serialized Inventory • Building Of Inventory • Multi-warehouse • Multi-location

Project Accounting	Included Integrations	Portal Access
• Job Costing • Project Budgeting • Project Profitability • Time & Expense • Time & Material Billing	• Salesforce.com • Stripe / Cardknox • Avalara • Edenred Pay • Custom Import	• Customer Portal • Vendor Portal • Partner Portal

It's important to ask yourself whether basic accounting application functions are enough. You'll probably find they aren't. What most companies need is an accounting platform, not just an accounting application.

> ## *More information:*
> ## Do you need accrual- and cash-based reporting?

What's an accounting platform versus an accounting application?

What separates an IT platform from an IT application is the level of control and operational dexterity it allows. An accounting application's goal is to help you just manage your accounting, and it's equipped with the basic tools mentioned above. It may allow you to customize some aspects of your accounting process, but this tends to be limited. You'll be able

to access functions and perform key processes, but generally, you're restricted to the framework of the accounting application.

An accounting platform isn't just a framework, but also a toolset you can use to dictate how you use the technology. An accounting platform is an "IT stack" of technology designed specifically for you to build on top of it. IT platforms are designed to be tailored according to user needs. You'll have basic accounting system functions, but platforms also contain features that let you customize and control how they serve your needs. This differs from a basic accounting system that remains set in what it offers. The design goal behind accounting platforms is to offer more advanced functionalities in a way that can continue being built upon for better use. What really makes your accounting functions scale are the platform features that help you navigate and manage the accounting solution.

What are some value-added platform features today?

Platform functions are tools within the system that let you communicate, share and update data, secure information, and manage operations within the platform. These are not accounting functions. These are features that optimize how you work within the accounting tool, giving you full control over the accounting data and process.

Here are some value-added accounting platform functions:

Custom Objects & Field	Custom Interface	Security
Point & Click: • Custom Data Tables • Custom Data Fields • Custom Data Tabs	• Drop And Drag • Mobile Friendly • Utilities & Widgets • Record Types • Multiple Page Types	• Permission Sets • Profiles • Queues • Hierarchy-based Access • Public Groups • IP Location Control

Point & Click Automation	Chatter	Document Management
• Field Updates • Record Creation • Tasks • Alerts • Messages • Email • Flow Builder	• Social Media Inside • Follow Records • @Mention Users • Receive Feed Summaries	Attachments To Every Data Record • Notes • Pdf • Images • Google Suite • Microsoft Office

Multi-tenant Cloud	Multiple Environments	Robust API
• Cloud-based Platform • AppExchange • Trust Salesforce • Backed Up	• Production Org • Sandbox Org • Data Sandbox Org • Developer Org • Data Archiving	• 1000s Global Classes • Restful API • Meta-data API • Code-packaging & Layering • Job Scheduling

You'll see that many of these features make the basic tasks around accounting easier. Having task functions enables you to assign, monitor, and complete events in the system. This can be a vital tool for helping meet key deadlines, like a monthly close. Accounting software features such as these enrich accounting processes because they allow companies to use the technology more dynamically.

Part 3: Choosing accounting software for your business

Accounting software product differentiators

Accounting features alone won't guarantee a strong accounting platform. Remember, looking at just the features you need only solves your problems temporarily. For an effective solution, look past feature sets and identify what differentiates the individual product from others. Understanding the central focuses of the accounting software will tell you how the technology is equipped to grow with your company and continually meet your needs. The first, most important differentiator you should look for is flexibility.

Flexibility

Flexibility is a decisive factor in whether your accounting software can fully support your business or will hold you back. Every business is unique, so an untailored, one-size-fits-all, type of accounting software is highly antiquated. True value from your accounting system lies with how it conforms and continually adapts to your individual needs and processes. This flexibility also contributes to how the solution will scale to your organization. The last thing you want is to invest in technology that you'll have to replace because you've outgrown it.

As your company grow and expands, system flexibility should grow with your changes, not the other way around. Consider how optimized the accounting system is for configuration and customization. Make sure the accounting platform can continually meet new requirements.

Connectivity

The way accounting software works with your other essential apps defines the accuracy and ease of your accounting processes. Nobody wants to spend hours and money manually entering accounting details and then re-checking them. Connecting your accounting tool to relevant business tools is the solution. Therefore, IT integration (the way in which systems can connect to and share data with outside systems) is an important consideration.

Even after implementation, poorly developed multi-platform integrations connecting unrelated systems can still face continuous connectivity issues. Data issues and disruptions must be monitored and maintained following implementation. This drives up costs.

There are two ways to avoid this dilemma. The first is to avoid multi-platform integration between separate apps altogether. This is done by linking all your business tools, including accounting, together on one platform. This frees you from having to rely on outside applications that must be integrated with your other business apps. One of the main benefits of choosing accounting software built on a shared-platform like Salesforce is that multi-platform integrations are unnecessary. All of these apps powered by the platform are already natively connected. This is what we call single-platform integration.

The second-best option is to choose an accounting system with a strong, robust API. Open API, in particular, provides strong connections for both single-platform and multi-platform solutions. This is the base API that Salesforce uses for its native applications' architecture. Open API is the best way to ensure data can be shared accurately, quickly, and securely.

Automation

Everyone wants their accounting to be fast, easy, and accurate; the key to this is accounting automation. The availability and flexibility of your solution's automation functions are not only convenient, but important for helping you manage increasing transaction amounts. Look for these three core automations in your prospective solution.

Event Automation

Transactional accounting is now more streamlined and easier because accounting platforms can fully automate repetitive entries for you through event automation. For example, Accounting Seed utilizes click-not-code automation which enables you to do multiple functions with just a button click. The simpler the automation is to implement, the more it reduces your manual labor while enhancing your entire system's accuracy.

Batch Automation

Batch automation, or batch processing, is automation in which the system completes batches of jobs at once instead of forcing you to do each job individually and manually. Batch automation lets things like revenue recognition and billing be done altogether to save you time and meet deadlines. You can also run multiple batch operations sequentially according to your defined processes.

Scheduled Job Automation

Scheduled job automation ensures your accounting never falls behind for you or your customers. Processing jobs manually always carries risks of delays or errors. Recurring jobs create consistency and help you to meet deadlines. Software like Accounting Seed allows you to automate daily, weekly, and monthly processes as you need. Once set, these can be easily adjusted to reflect new changes to billing or revenue cycles.

AR and AP Automation

Consider the areas your team spends the most time doing repetitive tasks. With 72% of finance teams spending up to 520 hours per year on AP-related tasks alone, automating both AR and AP can be a considerable time saver and well worth the investment. In addition, an embedded solution can eliminate the use of multiple systems and re-keying data to streamline financial operations as well as increase data visibility.

> *More information:*
> How AR Automation and AP Automation work

Actionable Reporting

Every accounting system offers financial reporting as a common feature, but few let you fully control the way you can gather, analyze, and present data. Being able to control and isolate select data gives you fast, accurate answers to your most relevant questions. Look for a system that offers custom reporting in addition to the standard financial statements/reports.

Strong reporting also revolves around system tools that let you analyze and track specific data throughout the accounting life cycle. You'll want drill-down functionalities and an underline audit trail feature to help you track finances. Otherwise, you'll struggle to find precise details quickly and risk major data errors slipping past you.

> *More information:*
> **What does it mean to be DCAA compliant?**

Remember, stronger reporting gives you better data to steer your company towards the greatest return on investment.

Collaboration and Visibility

Being able to collaborate and visualize your accounting data is essential in today's fast-paced work environment. Features designed around visibility and collaboration provide a more proactive and effective way to track and compile critical accounting data. In addition to strong reporting capabilities, here are some additional features you should look for:

User-Friendly Dashboards

Financial Dashboards provide a visual display of key metrics and trends of a company's accounting. At a glance, you and your team can see your finances in real-time, an immense time-saver. This is highly valuable for tracking key details to gauge financial health or milestone statuses. Naturally, you'll want dashboards that are easy-to-use and responsive. Look for dashboard settings that let you customize the data and view as you need.

Scheduled Reports

Your financial reporting features should also have the option to create scheduled reports for key stakeholders. The variables and finances dictating your business are always changing. Scheduled reports ensure your team is up-to-date on the current numbers to make strong decisions.

Seamless communication and coordination within the accounting platform are also vital. Key team members must be able to access, share, discuss, and validate accounting data together. Relevant platform tools to consider include:

Workflow Rules

Workflow rules let you create and automate internal processes and procedural steps for key accounting processes. The way they typically work is like this: when x happens, y is the result, then onto the next event in your workflow sequence. This helps avoid mistakes and structures proper workflow.

Approvals

Approval processes can help automate specific steps or sequences of events that require an official sign-off on a record to ensure accuracy. All leaders and key personnel will be able to review and work on relevant processes without losing track of them. This also establishes accountability and a system of checks and balances.

Part 4: Accounting data security

Security

[Is Accounting Data Security Reliable on the Cloud](#)? While being cloud-based effectively protects your accounting data from natural disasters, your accounting platform still faces several financial security threats. People pose the biggest external and internal threats to your accounting system. Both are controllable based on your accounting system's security features.

External threats are primarily cyber security attacks and data breaches that are constantly on the news. An example would be hackers trying to steal your financial information and/or that of your customers. A Verizon report shows [86% of data breaches were motivated by financial gain](#), which isn't showing signs of slowing.

To prevent external data threats, choose a [cyber-secure accounting solution](#) with highly secure [infrastructure and encryption](#) to protect your data from hacking. Many accounting solutions are also equipped with basic security functions out-of-the-box, like closing accounting periods, passwords, and usernames. Features like these provide the first wall of defense against hackers, but it's not enough. The problem with having only basic security features like these is that your internal staff, and anyone who breaks into your system, can still view data and do damage. Internal accounting security threats are the most overlooked. Around [60% of all cyber-attacks were conducted by employees with malintent.](#) However, data security isn't just threatened by malicious activity. About [40% of senior executives cited that internal accidental data sharing is a big security issue](#). Additionally, over [80% of breaches are attributed to human error](#). More concerning is that internal breaches and mistakes are usually more expensive than exterior attacks. Internal security features serve to control access to this data.

Your accounting software must provide internal control features that let you manage system access. These features work to prevent data corruption and theft from within your own organization while providing additional layers of protection against external threats. Here are a few examples of important internal control features you'll want in your accounting system:

Two-factor authentication	User permissions	User role hierarchy	Validation rules
[Multi-factor authentication](#) lets you enable a second level of authentication for every login. You can also implement this when a user is performing a specific function.	[User permissions](#) let you clearly define what tasks users can perform, approve, and access.	Establishing a [user hierarchy](#) lets you dictate which specific user(s) can view or change specific components of accounts or records within the system, like reports.	[Validation rules](#) establish standards for recording and handling data. Based on business logic, these rules prevent processes from being completed out of sequence

Part 5: Dollars and sense

How should you calculate the total cost of ownership for your accounting software?

The total cost of your accounting solution doesn't end at the software subscription. Other factors include integration and the labor surrounding implementation. **Here's a formula to help:**

Accounting System Subscription **+** Licensing Costs **+** IT Integration **+** IT Labor **=** Total Cost

Subscription and licensing (costs per user to have access to the application) are upfront and generally straightforward. The true hidden costs of cloud IT software begins with software integration. Remember, most software applications are designed independently; they can't communicate with each other. Therefore, based on your solution, establishing and maintaining integration may be part of the implementation process.

> *More information:*
> ## How Salesforce-native Apps Work Together to Provide Data in Real-time

Traditional, multi-platform IT integration costs involve the use of "middleware,"—tech used to establish the connection—and IT labor. This labor includes IT consulting and the process of creating, deploying, and maintaining the integration. And integrations between siloed applications usually require systematic maintenance too. These integration costs can be avoided if you choose an accounting solution on a shared business platform—for example, Accounting Seed and Salesforce. This would leave you to just concentrate on the subscription costs and labor surrounding implementation.

If it isn't possible to avoid integrations, make sure you carefully define the requirements, triggers, data entry points, and design patterns to secure the desired functionality. This will help minimize data errors or dysfunctions. Choosing an accounting system with a flexible, reliable API pays off with a stronger connection.

IT labor costs are both internal and external and involve time and money. Internally, this reflects your in-house staff implementing and adapting to the new tech. Externally, this involves outside IT professionals helping you implement the product. These external resources include the software company providing product assistance, their implementation specialists, and/or independent IT professionals you bring into the process.

As you explore options, ask software providers about these costs and get estimates to form a budget upfront. While each case is different, the flexibility of your accounting platform will be a major time and cost saver throughout the adoption process. Teams will spend less time and money having to implement the solution.

What should you expect in the adoption journey of a new accounting technology?

No matter what technology you choose, there will be adjustments. Strong project planning and transparency with your software provider is key. Start by getting statements of work for the implementation that are in the 4 – 8 week time frame. Apply this as an Agile methodology too, in a multiple of two weeks. If you accomplish implementation milestones ahead of schedule and are adopting the tech well, you can always accelerate your plans.

Be sure to measure your progress toward key milestones to remain on track and adjust goals for your desired completion time.

Maintaining communications with your accounting platform provider and IT specialists initiating the implementation is also important. You'll need to align requirements and goals from the beginning to achieve system deliverables on time and on budget. This is the time where a structured adoption plan needs to be created and orchestrated from the C-suite, down.

- [Top Reasons Implementations Fail](#)
- [Tips for Switching](#)

Changing accounting solutions can be perplexing, but spending time on the front end to get it right, will be worth it.

Ready to change your accounting solution?

If you're thinking about switching accounting software, we'd love to help. Accounting Seed utilizes the [Salesforce-Platform](#) to seamlessly connect data from sales lead to accounting ledger—providing a complete view of business performance in one system without costly integrations. Want expert advice on the benefits of accounting natively on Salesforce? Let's talk.

About Accounting Seed

Accounting Seed, headquartered in the United States was published on the Salesforce AppExchange as a native accounting solution in 2011, effectively bringing Accounting and Customer Relationship Management (CRM) securely under one roof. The native sharing of data on the Salesforce Platform gives all departments a real-time view of business performance from sales to operations to finance—while enabling greater efficiency through automation and paving the way for financial growth. Learn more at [accountingseed.com](#).

0924b