

Behind the Counter – July 15

Software Choices for the Small Business

The 2 main entry level software programs for small businesses are Simply and Quickbooks. Each has a really basic product for people who have never used computers before. Simply's is called First Step and retails for about \$49 and Quickbooks is called Easy Start and retails for about \$99. Beware, these simple programs will not allow a lot of flexibility when it comes to general ledger accounts, do not include payroll and only produce basic reports. The next level up is Simply Pro retailing at about \$149 and Quickbooks Pro retailing at about \$199. Both these systems will produce some basic reports and Simply's version includes payroll, basic inventory and multicurrency. The next level up is Quickbooks Premier and Simply Premium that include a broader range of reports. The Simply version includes a 2-user license and will handle departmental accounting. They both have another version called Enterprise that is designed for multiple users with multiple locations. The Quickbooks version is not supported in Canada. Both Quickbooks and Simply produce an accountant's edition that will allow the reading of any database that was created in any version. Once it is read, it cannot be restored to the original version, so make sure that there is a backup of the original. Both systems have their share of idiosyncrasies. In Quickbooks, due to its ability to suppress the general ledger numbering system, you can still end up with duplicate accounts in various areas of the financial statement and it is very easy to delete an entry and throw your books out of balance. Quickbooks tends to slow down as the volume of transactions increases and the home screen, even though it is customizable can become cluttered and overwhelming with a number of screens open at the same time. In Simply, there is the option to hide the audit trail transactions which can cause problems when you are trying to balance the bank and there have been problems with the storage of more than one year's data. Simply 2008 added the capability to export any report out to Microsoft Excel. Most accountants know their way around both systems. If you are not familiar with the software, I would suggest that you have someone that is certified in that brand of software set up the system for you.

If you are looking for a middle market product (which means that you have the ability to buy modules of a system and integrate them together relating to your particular market segment) the choices would be Adagio, Blue Link, Microsoft Dynamics Great Plains, Sage Business Vision, Sage AccPac, SAP Business One or SYSPRO.

Usually a small proprietorship doesn't require a full blown accounting software program unless there are a number of bank accounts, inventory, time and billing, or more than just a handful of transactions.

My rule of thumb is that if you have more than 25 transactions in a month, it is probably more efficient for you to use an accounting program. There is always a trade off in the business world and in this case the trade off would be between the time it takes you to do the books manually versus the time that it would take you to put them on the computer. Alternatively, you could hire staff to keep your books, but the same trade off applies – do you pay your staff to do other tasks or to spend a lot of time keeping track of things manually? The benefit of an integrated computer system is that you normally just need to enter data once and then you can see that data in a number of different reports. For example, if you record a sale on account, you would be able to view that sale in your financial statements, in your accounts receivable aging and in your sales detail reports and in your inventory accounts – if you carry inventory. In a manual system, you would need to create each page of information separately and transfer the data from place to place resulting in a lot of duplication of effort.

As your company grows and you decide to become incorporated, I believe that an integrated accounting system is mandatory. Once you are incorporated, you really need to have a handle on how your business is doing and I really don't believe that can be accomplished with a manual system – especially with the speed that things are happening these days.

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