

myaccounts White Paper

Accounting in the cloud for small businesses 2011

Cloud services are kinder to small business budgets than conventional software services. They tend to be subscription-based and scalable to the size of your business, so you can be up and running much faster. However, it's important to understand the features your cloud accounting system needs so you can choose the right solution for your business.

The problem with traditional accounting software

Your company's books are your most visible way of knowing how your business is tracking. Computers and software have played a huge role in improving the way business accounting is done. But keeping your books can still be a chore, and traditional server-based accounting software still brings with it some inherent problems. There are the ongoing costs of backing up and paying for IT staff, security, licences and upgrade fees. And if you need to keep multiple sets of books or administer access for multiple staff at different levels, your system is inherently open to failure.

The opportunities afforded by cloud accounting services

Cloud computing offers a new opportunity to have one live set of books that is accessible from anywhere and is easy to administer and maintain. Using a cloud system gives you the financial advantage of an affordable pay by the month subscription-based service.

One of the best features of cloud accounting services is bank feeds – by integrating with your banks, the system tracks exactly where you are and makes reconciliations easy.

What exactly is cloud computing?

Cloud computing or SaaS (Software as a Service) is an evolution in IT that has been gaining momentum for some time now. Instead of running your own server system, you rent space in a provider's service centre and connect into it over the Internet.

head office:

Level 3, 53 Walker Street
North Sydney NSW 2060

postal address:

PO Box 411
North Sydney NSW 2059

p: 1300 784 122
f: 1300 785 133

e: info@myaccounts.biz
w: www.myaccounts.biz

let us look after your books

Accounting, storage, e-commerce, and Customer Relationship Management services are just some of the apps available in the cloud today. Google's Gmail and Microsoft's Hotmail are good examples of free cloud services – instead of running email from your own server and domain, you access your email online.

The benefits of cloud computing

Cloud services are ideal for small businesses as they allow you to get the services you need without the upfront costs of traditional IT systems. They are fast to set up, simple to administer and allow you to access your service from anywhere with Internet access.

As a cloud user, you typically pay a rental or subscription fee and your cloud provider manages storage and security issues for you. This frees you from having to pay for electricity, extra real estate, IT staff, backups, maintenance, updates and protection.

Cloud services also solve the problem of administering multiple access levels – you simply set the levels and passwords yourself and your staff are good to go.

The risks inherent in cloud computing

It is important to ensure that your cloud service has a tight security system in place. Big cloud providers are attractive targets to hackers. The good news is that most established cloud service providers are highly security conscious. They have the resources and business-critical imperative to supply security and maintenance at a level far higher than you could possibly afford for yourself.

You should ensure that your provider has a resilient business and is upfront about showing you reliability reports and protection policies.

If you're using an offshore provider, you should ensure that your cloud service is in compliance with industry requirements within Australia.

You should also work out how to control user access among your staff and how you will manage access and training as staff come and go.

As you can usually terminate your contract at any time, you should identify how you'll get your data back or transfer data if you ever decide to change providers.

head office:

Level 3, 53 Walker Street
North Sydney NSW 2060

postal address:

PO Box 411
North Sydney NSW 2059

p: 1300 784 122
f: 1300 785 133

e: info@myaccounts.biz
w: www.myaccounts.biz

let us look after your books

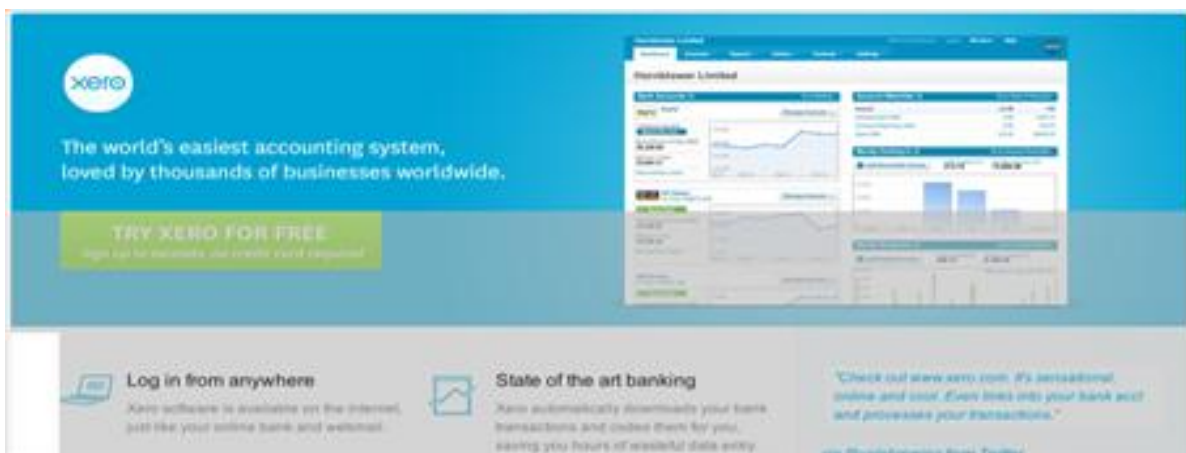
The top three cloud accounting services

The three services that *my accounts* recommends for startups, sole traders and small to medium enterprises are Xero, Saasu, and MYOB Liveaccounts. Much larger enterprises may wish to consider Epicor and My Accounting Cloud from Quickbooks.

The reviews that follow will help you choose the best service for your business. As these services are constantly being changed updated, you should use these as a guide and do your own homework before you sign up.

Xero

www.xero.com



Xero is an easy-to-use accounting package that is ideal for sole traders and small businesses with less than 10 staff. It is the most intuitive accounting package to use and may be a good starting point for micro-businesses.

Technical details:

- Works via apps for Iphone, Ipad, Blackberry and Android as well as Mac, Linux and Windows browsers.
- Automatic backup and update services and good security.

Best features:

- Attractive dashboard tracks bank balances, money coming in and money going out.
- Provides easy access to bank transactions, invoices and reports in real-time.

head office:
Level 3, 53 Walker Street
North Sydney NSW 2060

postal address:
PO Box 411
North Sydney NSW 2059

p: 1300 784 122
f: 1300 785 133

e: info@myaccounts.biz
w: www.myaccounts.biz

let us look after your books

- Good reporting for profit and loss statements, balance sheets, general ledgers, GST and PAYG.
- Contact Management System automatically links to Google Maps and Skype. Mobile browser allows you to see your contact details on the go.
- Allows you to generate, export and email invoices.

Worst features:

- Lacks integrated payroll, purchase orders, inventory, time tracking, employee management and multi-company reporting – these are add-on features that cost extra.
- Multi-currency only available on the \$64 plan.
- Not all banks are linked for data feeds – unlisted banks will need to be done manually via data uploads.

Cost:

Free trial, then three packages according to business size priced at \$29 per month, \$49 per month and \$64 per month. Add-ons cost extra and do add up.

Saasu

www.saasu.com



head office:
Level 3, 53 Walker Street
North Sydney NSW 2060

postal address:
PO Box 411
North Sydney NSW 2059

p: 1300 784 122
f: 1300 785 133

e: info@myaccounts.biz
w: www.myaccounts.biz

let us look after your books

Saasu is similar to Xero, but offers greater functionality that makes it ideal for small businesses with less than 10 to over 50 staff. It is a market leader in the Asia-Pacific software and service accounting industry with over 10,000 customers.

Technical details:

- Available on most browsers on Windows, Mac, Linux and Iphone.
- Automatic backup and update services and good security.

Best features:

- Offers a complete array of accounting tools including invoicing, expenses, inventory, payroll, stocktake and point-of-sale, shipping labels, credit notes and estimates.
- Full reporting of profit and loss, balance sheets, general ledger, GST, and PAYG. Reports can be emailed, printed or exported to another program.
- Time tracking, activity lists, meeting minutes and integration with Outlook.
- Dashboard includes profit & loss table, balance sheet, “who I owe”, “who owes me” and Saasu News links.
- Automatic payments for recurring bills and bulk payment of bills.
- Allows you to keep track of trading stock and perform stock takes.
- Create payslips to email or print, prepare payment summaries and make pay runs with automatically calculated tax and deductions for up to 500 staff, with hours calculated directly from timesheet feeds.
- CRM system that can be exported to Outlook and other platforms.
- Multicurrency support and a wider range of affiliate services than Xero.

head office:

Level 3, 53 Walker Street
North Sydney NSW 2060

postal address:

PO Box 411
North Sydney NSW 2059

p: 1300 784 122
f: 1300 785 133

e: info@myaccounts.biz
w: www.myaccounts.biz

let us look after your books

Worst features:

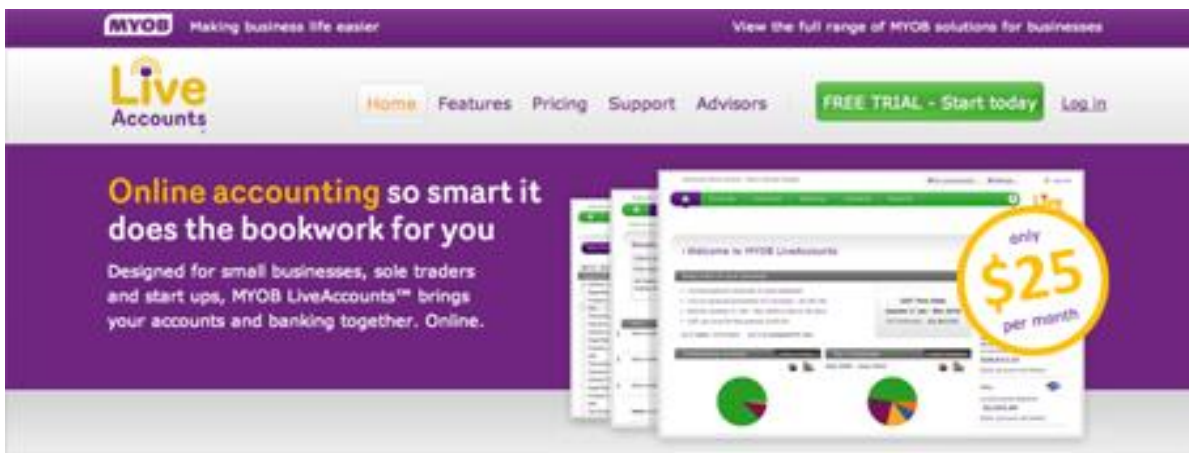
- No weekend support.

Cost:

Free for 20 transactions per month, then two packages available according to business size, priced at \$25 per month and \$35 per month.

MYOB LiveAccounts™

www.liveaccounts.myob.com.au



MYOB's cloud service is fairly new and although improvements are scheduled, the release dates keep shifting. It has not yet delivered a great cloud service compared to its offline system. However, it is well priced and is likely to catch up in time.

Technical details:

- Available on most browsers on Windows, Mac, Linux.
- Automatic backup and update services and good security.

head office:

Level 3, 53 Walker Street
North Sydney NSW 2060

postal address:

PO Box 411
North Sydney NSW 2059

p: 1300 784 122
f: 1300 785 133

e: info@myaccounts.biz
w: www.myaccounts.biz

let us look after your books

Best features:

- Can be easily adapted by established MYOB users.
- GST Alert estimates the GST you currently owe.
- Dashboard shows who owes you money, your top five business expenses and any transactions or messages since you last logged in.
- Allows you to create and email invoices.
- Bank feed links your bank and credit card accounts.
- Contact management system allows you to track the details of your most important clients.
- Allows you to run reports on banking, sales and expenses, profit and loss, balance sheets and GST.

Worst features:

- Currently experiencing teething problems.
- Lacking in many features such as payables and payroll, multicurrency, contact management and time tracking compared with Xero and Saasu.

Cost:

Free 30 day trial, then \$25 per month.

The key question

When choosing a cloud accounting service, the key question to consider is the level of reporting that you need – because reporting on and tracking your business is critical to your business success.

All the systems reviewed above have very good basic reporting tools, but custom reports of the exact type you need may not be available.

head office:

Level 3, 53 Walker Street
North Sydney NSW 2060

postal address:

PO Box 411
North Sydney NSW 2059

p: 1300 784 122
f: 1300 785 133

e: info@myaccounts.biz
w: www.myaccounts.biz

let us look after your books

You need to identify the aspects of your business that you need accurate numbers on and investigate whether your cloud accounting system provider can provide these.

Need our help?

If you have any questions about cloud accounting services, please contact call *my accounts* on 1300 784 122 or visit www.myaccounts.biz

We can help you move your data from your existing accounting system to one of these cloud services. We can also assist if you are currently using manual methods.

head office:

Level 3, 53 Walker Street
North Sydney NSW 2060

postal address:

PO Box 411
North Sydney NSW 2059

p: 1300 784 122
f: 1300 785 133

e: info@myaccounts.biz
w: www.myaccounts.biz