

E-ZINE: ACCOUNTING SOFTWARE GUIDELINES

Finding Value In Accounting Software

Issue #4

Suggestions for finding value in accounting software programs.
Are you experiencing sticker shock on your next accounting software investment?

Accounting Software Sticker Shock

Did your company start with a \$200 accounting software package, and then face prices above \$10,000 or more for your next accounting software program? Did the package you originally paid 4 or 5 thousand for floor you with an upgrade price of 2 or 3 times the original price? Welcome to accounting software sticker shock.

Consolidation in the industry has created fewer suppliers of accounting software that now charge higher prices. (See Issue # 3, [How to Select an Accounting Software Vendor](#)). Furthermore, like any smart business, accounting software manufacturers want you to buy their more expensive and profitable software first. If you don't have the budget, then they may present the less expensive solutions.

How to Find Value

There are several important lessons I've learned about accounting software after 20 years of working in the industry.

Law of Good Implementations

"You can take a great accounting software program and have a mediocre implementation and you'll never be happy. You can take a mediocre accounting software program and have a great implementation and you'll never be happier."

Law of 50%

"Most companies use 50% or less of the features of their accounting software, yet they paid 50% more than necessary to buy those features."

To illustrate my point, take this word processing program, Word 2000. Even though I paid top dollar for it, I use only the basic features like spell checking, indentation, bolding, and the like. Do I use or ever plan to use "on-line collaboration", "auto-summarize", "theme", "caption", "cross-reference"? Probably not, but if I did, I would have been happy to pay for it. I just need the basics. If I had lots of training on the program, I would probably take advantage of more of the features, however.

Same with accounting software. Do you need XML, WMS, RF solutions, eCRM and the like? Most companies probably don't even know what they are, and they shouldn't pay for those unneeded capabilities. But if you did need them, you would be happy to pay for it. You probably just need the basics.

Basics like a good income statement that's easy to create, or enough user counts so everyone who needs to get to the software can do so, or accurate on-hand, on-order, year-to-date sold information in inventory, and basic features like that. Good security, and the ability to get the information you need easily are also important considerations. Great support is also very critical, don't forget!

So finding value in accounting software comes down to a few points.

1. Invest in training and implementation to maximize your return.
2. Don't pay for features you don't need or will never use.

Suggestions, Please!

Having worked with many different packages over the years, and having been both on the consulting and implementation side, and on the accounting software manufacturer side, the best value package for a growing business that I have come across is... Sage BusinessWorks by Sage Software. If I were outgrowing an entry level package like Quickbooks or Peachtree, it would be my logical next choice. Because Sage BusinessWorks has an 1.5 billion dollar company behind it, and

has one of the highest levels of customer satisfaction in the industry, it has the service and support necessary to back you up.

There will be other major companies offering a competing product to Sage BusinessWorks before long. However, for a price point of around 2 thousand to 8 thousand, great basic features, ease of use, and the ability to support 20 users and more, Sage BusinessWorks is the best choice for many companies that need to grow past the 2 to 5 users that Quickbooks and Peachtree® limit you to.

Conclusion

While some companies require very robust and feature rich accounting software solutions, most do not. If you are looking for better solutions to your accounting needs, read the article #1 "[Basics for Selecting Accounting Software](#)". If you are looking for great value in accounting software, before you spend thousands of dollars extra for features you will never use, invest that money in training for your staff and take a good look at a solid, basic accounting program, like [Sage BusinessWorks](#).