



Cloud Accounting For Professional Services

The questions to ask when selecting Accounting Software for your firm

Introduction:

Most services firms such as architects, consulting engineers, IT consultants, graphic designers and advertising agencies etc. conduct a significant proportion of their business in the form of project work. It is the means by which they provide services, operate internal systems, allocate costs and account for revenue and therefore best practice project accounting is critical.

The challenges of project accounting are many. The elimination or reduction of revenue leakage, the correct allocation of all relevant project costs, the management of multiple projects on a single system and so on are all critical in the optimisation of revenue and margin.

For the CFO of the professional services firm who might be considering a cloud accounting solution for their business, it's worth asking a few pertinent questions to ensure that these particular challenges can be easily met.

Essentially there are five key elements to project accounting:

- Project Accounting
- Timesheets, Expenses and Outlays
- Resourcing and Forecasting
- Project Reporting
- Project Management

Under each of these heading we list some of the most important questions that the CFO should ask.

Project Accounting:

The most important role of project accounting, apart from the obvious one of record keeping is to minimise revenue leakage and improve cashflow. The CFO therefore needs to understand if their shortlisted solution will:

- Does it reduce time to invoice through automatic invoice generation?
- Can I create invoice templates with bespoke headers and logos?
- Is invoicing in different currencies using user-defined exchange rates possible?
- Can I manage invoice history within the system to better understand status?
- Will it provide comprehensive reports including aged debtors and invoices/credit notes?
- Does it link with Projects, Budgets & Actuals, Contracts, Resource Forecasts, Billing Schedules, Invoicing and Reporting?



Timesheets & Expenses

With staff costs very often making up the largest cost item of a project it is vitally important to ensure accurate time and cost tracking against projects. Not only is this important for project profitability, but it also contributes to good customer satisfaction and reduced invoice queries.

The questions to ask are therefore:

- Does the solution provide an easy, secure 24 hr web-based SaaS access?
- Can I record all time spent, user expenses incurred and third-party supplier invoices against projects?
- Is it possible to track time spent on non-chargeable activities, such as administration, training, holidays and sick leave?
- Is there an approvals workflow with automated email notification?
- Can budgets vs. actual spend to date easily be compared?
- Does it enable compliance with legislation, including the Working Time Regulations?
- Does it provide a simple data analysis with comprehensive reports including a Graphical absence planner?



Resourcing & Forecasting

The efficient deployment of staff resources will ensure effective performance at optimum cost. For the CFO this means asking the following:

- Can I review and adjust resource requirements against projects?
- Is it possible to identify critical path task duration through resource assignments?
- Can the cost impact, based on resources assigned to a project be forecasted?
- Will I be able to ensure you have enough staff to fulfil your commitments?
- Can I ensure user, department and company-wide staff target utilisations are achieved
- Can actual project time against initial forecasts be tracked?
- Will the software enable supply comprehensive reports including resource utilisation vs. target; revenue vs. target; forecast and actual revenue vs. costs; work-in-progress financial analysis?

Project Reporting

Understanding project performance, converting data into information, and ensuring that all relevant up-to-date data are included is a job in itself, particularly when required of multiple projects.

- Is there a comprehensive suite of reports provided as standard
- Can I create my own custom reports?
- Can I create user-defined dashboards for instant access to KPIs?
- Can report data be exported to Microsoft Excel or Adobe PDF?
- Can I access complete forecast and actual data for revenue, costs and time?
- Is it possible to analyse the full project lifecycle?
- What kind of information parameters can be used to analyse projects: client, industry sector, project type and region?
- Does the solution deliver cost and time reporting for previous projects enables more precise planning of fees and costs for future projects?
- Can I link with Projects, Budgets & Actuals, Contacts, Resources, Billing and Invoicing?
- Project Management
- In every successful firm, there is a need to manage an ever evolving project portfolio. This task can be made all the easier if the various projects can be managed from a single, centralised store of information. Consideration should be given to:
- Does the solution supply a centralised project data store with text search function for quick access to all projects?
- How easy is it to set up projects?
- Are separate budgetary screens for each project provided?
- Can I easily manage projects with an all in on project management screen?
- It is possible to control access to authorised users only?
- Can I present comprehensive reports, including unlimited project and task custom fields to enable reporting?



This is just a shortlist of questions that relate to project management in services firms. Clearly, the smart CFO will consider a much wider range of evaluation criteria. However, by including the above questions in their evaluation process, they can be pretty sure that much of the functionality required for best practice project management will be covered.

About AccountsIQ

This article is brought to you by AccountsIQ, cloud accounting and consolidation software for mid-size companies, particularly those with multi-entity or multi-location needs. Built for the cloud, AccountsIQ is in use in 23 countries and is now the solution-of-choice for many the worlds' leading accounting practices.

For further information on how AccountsIQ might work for your growing business please feel free to contact us and we would be happy to discuss your needs.

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