

CLOUD ACCOUNTING ADVICE FOR YOUR CLIENTS?

Some key questions to ask before you do

As an established professional accountant and trusted adviser you may well be asked by your clients to help them decide on the right choice of cloud accounting solution for their business.

There are three important things to remember before making any recommendations:

1. Different clients have different needs

With SME clients it can be relatively easy to recommend a basic or starter system – most of them offer more or less the same level of basic functions that a start-up or SME needs. However, with larger or organisationally complex clients, features such as consolidation, multi-currency accounting, sophisticated cash-flow management, or stock control might be essential. It's really important therefore to review a particular client's needs as thoroughly as possible. This document provides a useful checklist to help you achieve this.

2. Future-proofing is always a good idea

If at all possible, when discussing your clients' needs it is useful to try to encourage them to think about their future business plans as much as their existing needs. If the client is pursuing a strategy of geo-expansion or acquisition, then it's important that the choice of accounting solution supports rather than hinders that strategy. Clearly, this is particularly important for fast growing clients such as High Performance Start-ups. They need to make sure that they are starting on the right system so that they are not distracted by the need to switch after a short period of time.

3. Cloud Accounting Solutions are constantly changing.

Before considering the suitability of any solution, ensure that you have an up-to-date assessment of the latest features and functionality. The best way to achieve this is to draw up your shortlist of preferred solutions that are available and then conduct an updated review of the functionality of each.



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Analysing Accounting Software needs - The key questions to ask your client:

The following is a list of questions that will be very useful in helping your client to work out the level of functionality that they might need from their accounting system. It is intended as an initial checklist only and obviously, a more in-depth needs analysis to compare against a shortlist of systems would be recommended before final selection.

Once your client has answered these questions, you should be well armed with the information you need to evaluate the different accounting solutions that are available.

Multi-Entity Administration

The ability to manage multiple entities and user access in one solution.

1	How many different entities need to be managed by the system?
3	How many users/concurrent users are required per entity?
4	What level of collaboration is required with your accountant or advisor?
5	Do you require inter-company transaction management?
6	Do you require different levels of user authorisation and permissions?

Group Consolidation

The ability to consolidate multi-entity or multi-location accounts. Not all cloud accounting solutions provide consolidation.

7	Do you require consolidation of different entities based on different percentage ownerships?
8	Do you require multiple sub-group structures within a group?
9	Do you need automatic elimination of inter-company balances?
10	Do you require multi-currency consolidation with central maintenance of all group master currency tables?

General System Requirements

General features that can rule out certain providers. For example: does your client require their data to be hosted in the UK rather than a foreign jurisdiction?

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| 11 | Are there any restrictions on which country your software can be hosted? |
| 12 | What kind of security protocols do you require? |
| 13 | Are there any industry specific accounting, legal or tax compliance with which you need to or would like to comply? (E.g. SORP compliance for charities) |
| 14 | Transaction Volume: What is the approximate average number of transactions per day/week/month that you need to process? |
| 15 | Data Storage: What is the approximate volume of data storage required? |
| 16 | For how long do you require historic data to be stored? |
| 17 | If operating in multiple locations what level of localisation of system terminologies is required? |
| 18 | Do you require Independent period management for A/P, A/R and GL |
| 19 | What level of Help and Support is required? |
| 20 | What kind of audit trail is required to track all changes to transactions by users |
| 21 | What jurisdictions do you operate in for tax processing & reporting (VAT for UK & Ireland, Australia GST, US Sales Tax)? |
| 22 | Do you require full multi-currency processing for sale, purchase, and bank transactions? |

Integration

What kind of systems does your client need to integrate with and how? Cloud accounting solutions provide various methods of integration.

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| 23 | Do you require a data export facility allowing data extraction (eg to/from Excel) and in what formats? |
| 24 | What kind of systems do they need to integrate with? (eg EPOS, ecommerce, CRM, Operations, etc.) |
| 25 | What elements of accounting data require integration? (e.g. major transaction types, accounts, etc.) |

Accounts Receivable /Debtors

Multi-location and foreign currency customers could create issues for some cloud accounting software.

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| 26 | How many invoices per day/week/month do you issue per entity? |
| 27 | Do you have Multi-location customers and do you need parent-child accounts for processing of multi-location customer accounts? |
| 28 | Foreign currency: Do you require full handling of foreign currency customers and receipts? |

Accounts Payable / Creditors

29	Approximately how many supplier invoices per week do you process (per entity)?
30	Are Multiple control accounts required? (e.g. for separate control of client monies, inter-company accounts or different currencies) Facilitates multiple control accounts (e.g. for inter-company accounts)
31	Do you need to manage line Item Purchase Invoicing based on defined invoice items and pricing?

Cash & Bank

What are the requirements around multiple and multi-currency bank accounts?


32	Do you have multiple bank accounts? How many?
33	Do you handle Multi-currency bank accounts?
34	Do you require automatic Bank Reconciliation facility from electronic bank statements
35	Do you need Cashflow forecasting capability to help manage cashflow projections?

Sales Order Processing

Sales order processing and easy price management are essential features for most businesses.

36	What kind of pricing functions are required: <ul style="list-style-type: none">- Standard price lists?- Multiple price lists?- Special pricing by customer and effective dates?- Bulk pricing management feature?- Quantity and value breaks on pricing and discounts?
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Really good Sales and Purchase Order processing, together with multiple location stock management can make a huge difference to your clients' accounting productivity .

Purchase Order Processing

Similarly, purchase order processing that most accurately fits the business is obviously the aim.

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| 37 | Do you require Purchase Order processing based on items/service or inventory products? |
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Sales & Purchase Order and Gross Margin Analysis

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| 38 | What kind of sales & purchase and Gross Margin reporting is required?
(E.g. Sales reporting by customer, product, product group, department, source, region, area and sales rep incl. quantity and value for period & YTD.)
(E.g. Purchase analysis by supplier, product, product group, department incl. quantity & value for period & YTD. Used for preferred supplier negotiations) |
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Stock / Inventory Management

Stock management for multiple locations, sub-locations etc. could be an important feature.

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| 39 | Do you use multiple stock locations/sub-locations and bin locations? |
| 40 | Do you require stock tracking and balance calculations for multiple locations and sub-locations balances (on hand, reserved & on-order levels)? |
| 41 | Do you need to account for Stock transfers between locations/sub-locations and bins? |
| 42 | Do you require stock take and other quantity adjustments with auto postings to GL Control account? |

Project Accounting: Expenses and Time & Billing

If a client uses a project management structure to run their business then project revenue management and the avoidance of leakage is important.

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| 43 | Do you need project management capability to manage projects including the recording of project related staff time costs, supplier costs and expenses? |
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General Ledger

Typically, clients need good GL interrogation and audit trail features.

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| 44 | Do you need a flexible, user definable alpha-numeric Chart of Accounts? |
| 45 | Do you need to account for Multiple category, Sub-category, & Group structures to provide flexible Chart of Accounts layouts and reporting? |
| 46 | What kind of transaction tracking capabilities do you require? <ul style="list-style-type: none">- Do you need Audit Trail capability to interrogate all transactions based on user defined selection criteria and displayed or extracted to Excel?- Drill down from category/sub-category groupings to GL balances vs. budget by GL account- Full drill down to sub-ledger transactions from GL accounts |
| 47 | What kind of month end capabilities do you require? <ul style="list-style-type: none">- Separate period end close out of sub-ledgers- Foreign Currency period end Revaluation journal re-values all FX balances in sub-ledgers and bank accounts based on period end rates |

Budgets & Variance Analysis

Some cloud accounting solutions might provide more comprehensive budget management functionality than other.

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| 48 | What kind of budget management capability do you need? |
| 49 | What kind of budget reports do you require? (E.g. including budgets, prior years, variances etc. including Trial Balance, P&L, Balance sheet and Cash flow reports) |

Business Intelligence & Analysis

Many clients underestimate the power of good Business Intelligence. It also helps to make the Accountant's job, as trusted advisor easier because it provides the information needed to understand the critical performance issues.

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| 50 | What kind of Business Intelligence features do you need to compliment your accounting information? |
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Reporting Capability

Smart, contemporary cloud accounting systems provide excellent reporting facilities which make reporting more efficient to prepare and manipulate.

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| 51 | Approximately how many standard and ad-hoc reports do you produce each period? |
| 52 | Do you need the capability for users to create their own reports? |
| 53 | Do you need ability to extract/re-import reports to Excel, or in other formats (html, pdf etc.)? |

Paperless Office

The process of storing and retrieving supporting documentation can be made a good deal easier with some cloud accounting solutions.

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| 54 | Do you need to be able to E-mail directly from the accounting system including all relevant documentation? (e.g.: reports, sales invoices, AR Statements, remittance advices) |
| 55 | Do you need to be able to maintain a searchable record of all emails and documents emailed from the system? |
| 56 | Do you need to be able to store all relevant documentation against accounts, products, transactions, etc for later view and/or retrieval? |



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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