

White Paper :

How your clients can use accounting software to help you.

By Julian Shaw, October 2008

Abstract

This paper aims to show how accounting software can solve the problem of clients' poor records, while improving customer relations and your client retention levels at the same time.

The Problem

One of the main causes of frustration for accountants is the inconsistency of clients' records. This can vary from a shoe box brimming with receipts to an incomplete set of records on an out-of-date version of Sage.

However they all need to be dealt with and this can cause problems. First of all, you may become frustrated by the amount of time needed to bring the records into good order, which can place a strain on your internal operations.

Secondly, and perhaps more importantly, if you have to take more time to do a job than envisaged you must choose your course of action. Do you just bite the bullet and complete the accounts for the agreed fee or do the work and bill by the hour?

Increasing your fees is not in itself a bad thing of course, but the knock-on effect could damage your business. If clients think they are being overcharged you could lose them.

This is the crux of the problem. The way your clients keep their records can affect your retention levels.

The solution

The solution is, effectively, to help your clients help you. This in turn allows you to meet their expectations better and not be forced into increasing fees to compensate for their poor records.

Creating a series of standardised record books would do this to a certain extent. It would be easy to put in place, and your clients could be trained to record transactions more routinely. However, apart from being somewhat old-fashioned, this would still need to be inputted onto your computer system at some stage, taking more time and incurring costs.

NOTES:

Accounting software can be used by your clients.

Inconsistent records cause frustration.

Correcting badly kept records takes time. Simply increasing your fees may not be the answer.

Your clients can help you to help them.

Standardised records can do this.

It would be far better to have all the data in a computerised format, where it could be transferred to your internal systems more easily. This is where accounting software is invaluable. It is easy to implement, and you are almost guaranteed to get the information in a standard format. Many software houses, including Sage and Quickbooks, already offer solutions but the programs can be complex and have to be installed on each client's computer.

Computer software records could be the best option.

Recently though, software has been developed that uses the latest web-based technologies to streamline the process. Known as 'Software As A Service' (SaaS), this sits on a webserver, and is accessed via a standard web browser.

On demand or SaaS systems can now give streamlined, easy to use software.

A number of companies have recognised that this technology can be much easier for clients to use than traditional accounting software. There is no need for installation and, as you are always using the latest version, you do not need to "run and update" to fix bugs or get the latest features.

Furthermore, as an accountant there are other benefits that could improve your customer service and perhaps your bottom line.

Web based software offers accountants many advantages.

The main advantage is that, potentially, all your clients will send you their records in a standard format. Of course this applies to traditional software, but with SaaS systems you have instant access to the records. You don't have to chase the client as the information is there for you at any time, and it can be retrieved at any time.

Instant access to clients' records.

Also, the ability to adjust the records during the year, rather than after the year end has been closed, has clear benefits.

Records can be adjusted easily.

This has an effect on the time needed to process your clients' accounts. Major time savings have been reported.

Imagine if...

- Your clients' accounts were available to you without having to chase them up;
- They came in a standardised format;
- With the majority of the records completed fully and accurately.

In your office you would be free to perform the accountancy process without the usual time-inefficient process of obtaining and correcting the records.

Imagine if, on top of all this, you and your clients were using a constantly evolving system that required no effort for you to have the very latest version. This would mean you could get the benefit of any new time saving features instantly.

Very latest version always in use

This technology sometimes sounds too good to be true, but it is here, and it will become more widespread.

Summary

In conclusion, computing technology is being directed more and more towards business, with the underlying aim of improving financial performance.

Technology used to **help business.**

As part of this evolution, accounting software nowadays is almost universally used by practicing accountants. It is only recently though that accountants have started to realise the benefit that can arise from their clients also using good quality bookkeeping or accounting software. The standardised records produced this way can help save time in the accountant's office and also help the client feel a better service is being offered.

Software can be used by clients, **not just in practice.**

Previously it required a great amount of effort to encourage use of software even before the daunting task of learning how to operate it. Assuming these obstacles could be dealt with, other procedural problems, such as how to get records from clients to accountants, meant operating the procedure was never the easiest of tasks.

You save time.

Your clients get a better service.

With the advent of web-based accounting systems using the "on-demand" model, such problems have been overcome, leaving the accountant free to enjoy the advantages, without any of the difficulties.

The latest online accounting packages have been designed with the user in mind. For instance, Arithmo is an online system (<http://www.arithmo.co.uk>) that provides an easy yet efficient way for the non-expert to record business finances accurately.

New systems now available.

At the same time though there is a major benefit to the users' accountants by way of increased efficiency and customer care.