

The Dos and Don'ts of Accountancy Software



Most business owners set up their business for the love of the business, product or service they provide. Accounting is not top of mind when setting up a business but having and maintaining accurate accounts is vital.

It's vital to understand your cashflow. It's vital to know if you're making a profit or loss.

Good accounting practices take time. Using accounting software can help business owners get a handle on their finances simply and with minimum effort.

Here Are My Top 3 Dos And Don'ts When Choosing And Using Accounting Software:

Dos

1. Do Review Your Financial Needs

Before you undertake a purchase of an accounting software package, it's important to understand what your financial needs are. Do you need stock control, payroll, multi-user access, estimator or web access? Determining your needs will help you choose the right system for your company.

2. Do Get Your Team Involved

One of the main reasons for using accounting software is that it is a great way to maintain accurate records. So you should plan an effective transition period from a manual system to a software system. For example, perhaps you can assign one staff member to upload your bank statements and cash payment records. These will complement the hard copies that are kept in the traditional way. Over time, your staff will become familiar with the new system and will use it before using the old, manual method.

3. Do Think About Your Growing Business

No-one starts a business to keep it at the same level as when it's started. As you grow your business, your accounting needs change. When you're choosing

accounting software, look at the big picture of how you're growing and what you might need. Your software should be scalable so take a look at the additional modules that the software has to offer. You may not need it now but it's good to know that the provider has it ready when you are.

Don'ts

1. Don't Go For The Cheapest Option

Getting a good price on your accounting software is not a determinant that it is right for you. After you've done your review, you'll know what works for you and what doesn't. Only then should you decide on software. Remember accounting software is meant to make your life painless. Think affordable rather than cheapest.

2. Don't Do It Alone

Choosing an accounting software system should be a decision made for the long-term. It will involve a transition period as well as training, both of which are resource intensive.

Involve your accountant and ask for their advice. They won't be offended if you decide to use accounting software. Quite the opposite. It will make sharing documents and figures with your accountant more accessible.

Here at AG Associates, we recommend Sage Software. We help train our clients on the best use of the software for each individual's use. Talking to your accountant and getting them involved will save you money in the long term.

3. Don't Leave It All On The Computer

Accounting software is one of the best business investments you'll make. However, you should make the best use of the data for determining KPIs, monitoring cash-flow and debtor days. While the information is readily available, you should make sure to look and analyse it on a regular basis.

If you would like further information on any of the above, we would be delighted to speak with you.

AG Associates is an accounting practice that specialises in affordable accounting and payroll solutions for the SME business owner. It also offers training on accounting software. For further information please contact Angela at:

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