KashFlow

Buyer's Guide to Accounting Software

If you're looking at buying **Accounting Software**, then it's probably because you're looking for an **affordable solution** to one or more of these common small business problems:

• Chasing late and missing payments from your customers
• Struggling to stay on top of your cash flow
• Facing piles of paperwork when you get back into the office
• Lacking confidence in your financial abilities
• Wishing you could spend less time on your books and more time on your business

In this guide, we'll look through how Accounting Software can help small businesses simplify their books and tackle these challenges head on, and whether software's the right option for you.

www.thebalance.com/things-to-consider-before-you-buy-accounting-software-14104

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Getting paid faster

With late payments costing UK small businesses over £2 billion a year, it's no wonder getting paid faster ranks as one of the leading challenges faced by sole traders and small businesses.
Here's how today's Accounting Software is designed to help:

Offering more payment options

If your customer is struggling to get the cash together, it makes sense to offer them Direct Debit or credit options instead. The easier it is to pay you, the quicker it's likely to happen.

Look for Accounting Software that integrates with leading payment processors, like Global Payments, GoCardless and Stripe, for a better range of payment options.

If you're sending e-invoices directly from your software (another key benefit of Accounting Software) then include an immediate payment option, like a "Pay Now" button. This'll encourage customers to pay straight away with one click via online Visa, Mastercard or AMEX. In turn, this means you're no longer relying on BACS payments or overdue invoices.
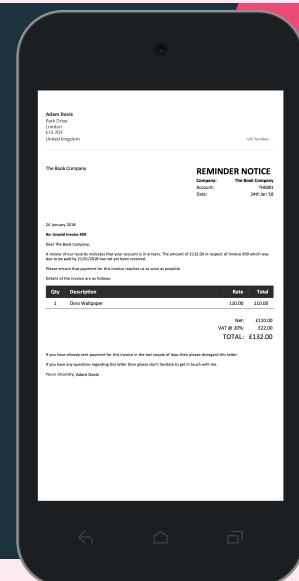
Sending branded invoices

Professional-looking invoices are more likely to grab attention and get treated as a priority.

With Accounting Software, you can create a professional and branded invoice template and use across all of your invoices. You'll be able to save time by uploading one design, and also benefit from a consistent and on-brand image.

Following up on late payments

Regardless of how you approach it, you'll sometimes find customers dragging their heels over paying you. Gentle reminders can work wonders in securing payment. After all, not following up on late payments is one of the most common reasons for why they take so long.

Rather than draft the notes and give yourself reminders of when to send them, use Accounting Software to send pre-crafted prompts at set intervals. This way, you can automatically chase each late payment until it's delivered.

Learn more about invoicing in Accounting Software

Staying on top of cash flow

Most small business owners will argue that cash flow is more important than turning over a profit – especially in the early days of a business.

Tracking how money moves into and out of your business is an essential indicator of its long term health and survival. But staying on top of your cash flow can be a time-consuming and confusing task.

If numbers aren't your strong point, then using spreadsheets or paper-based bookkeeping to manually enter and amend your data can add to the confusion and doubt.

Managing cash flow in accounting software

As cash flow is such an integral part of your overall business's assessment and strength, it's important to adopt a system that makes it as easy to manage as possible.

Accounting Software beats traditional methods of bookkeeping because it uses real-time data in your reports and dashboards. This means you're using up-to-date information that accurately reflects the health of your business whenever you check in.

There are other advantages too:

Your documents are always correctly formatted and clearly presented for any interested investors or third parties

It's easy to edit and update – perfect if you entered incorrect data or need to revise numbers

With a simplified and wider visualisation of your numbers, you can make more informed business decisions with greater clarity

If you use cloud software, you can check your current cash status on any device, including your phone

In a nutshell...

By giving you real-time information to work with, Accounting Software gives you a clearer and more accurate set of numbers, meaning you can identify ways to improve your financial situation more easily and with more confidence. With this, you can ensure you always have enough cash to cover spending and see whether your business is moving in the right direction.

Cutting down your office hours

Small business owners have told us they start their own enterprise because they're passionate about the industry and they want to be their own boss.

And while entrepreneurs might enjoy owning every aspect of their business, few, if any, are as passionate about bookkeeping as they are about driving sales and building their brand.

Yet bookkeeping and accounting are essential for a clearer view of your business's health and for avoiding trouble with HM Revenue & Customs.

How to save time on your books and get back to what you love

Save time with simplified data entry

With Accounting Software, data input is fast, straightforward and only needs to be done once.

From this one data set, you'll be able to create a range of reports including profit and loss, debtors and creditors, customer accounts, inventory counts, sales forecasting and more.

And by using automatic calculations within the software, you're reducing the chance of error – meaning you don't have to waste time going back and redoing your work.

Automate and speed up essential processes

With software, you can automate repetitive and confusing tasks like calculating VAT and CIS contributions.

You can also automate direct debit payments using integrations with partners like GoCardless, and reduce delays between making a sale and generating an invoice by sending invoices on the spot.

If you're using Payroll software, you can also calculate pay, deduct tax and National Insurance and produce payslips from one place and integrate your payroll into your books.

Don't spend time trawling through files or documents

Tracking your finances over multiple documents and from multiple sources is time-consuming, but with multiple integrations available in Accounting Software, you can monitor your full financial situation and cash flow from one place.

Unlike paper or spreadsheet-based account, digital Accounting Software can integrate with other software and apps – giving you a central place to work from. Furthermore, syncing your bank accounts means you don't have to repeatedly enter and cross reference your figures.

Why move from spreadsheets?

Most likely, you're using desktop software to keep your books – with tabs and columns for your numbers already laid out.

This is convenient, but ultimately it's limiting. It's time-consuming, with a lot of manual data entry. It ties you to one desktop, with the risk of losing data should the computer crash or get stolen.

And as your business grows or changes, your spreadsheets will likely become unwieldly and confusing.

Accounting Software offers a few key advantages over spreadsheets:

It makes your books easier to manage

With Excel, you'll need to know the relevant codes and shortcuts to perform your calculations.

Calculating your figures on the assumption that your original codes were correct takes a lot of confidence, and moving even one cell can disrupt your calculations and create unnecessary headaches in putting them all back.

In contrast, Accounting Software performs all of the calculations for you so there are none of these issues. With software, there's also real-time reporting, which means your balances are more accurate up-to-the-minute.
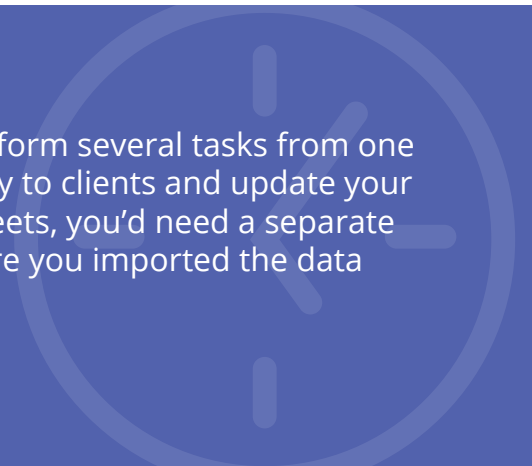
It keeps you in control of your accounts

It can be hard to tell who owns the "master spreadsheet" and whether the document you're working on is up to date – especially if you work from multiple locations, or more than one person works on the books.

Worthwhile Accounting Software can offer multiple log-ins and uses real-time data to ensure your books are up to date across platforms, so there's no more working on different and outdated versions.

It saves you time and energy

Using software instead of spreadsheets means you can perform several tasks from one place. You can, for example, send electronic invoices directly to clients and update your books to reflect this in one go. If you're still using spreadsheets, you'd need a separate system for sending, receiving and resolving payments before you imported the data back in.

Compare Software and Spreadsheets for yourself.

Consider cloud software

You might be able to take a pad around with you for bookkeeping on the go (make sure you don't lose it!) but if you're using spreadsheets then you're virtually stuck on one desktop.

Working from the cloud accentuates one of a small business's key strengths: its flexibility.

Consider... Versatility

Rather than create a list of invoices that you'll have to send out when you get back to the desk, send them as you go from your smartphone or tablet via the cloud.
Similarly, enter numbers through your work day, then simply press a button to create your desired reports when you're done. Cloud software allows you to work as you go and clear your workload by the end of the day.

Consider... Security

If you misplace your paper books, or the desktop crashes, then you've lost your most recent figures. But as Cloud Accounting Software is stored on a secure remote server, you can access the latest version from anywhere.
As you don't have to download anything onto your computer, you:

• Don't have to install or maintain software, you just log in and get on with your work.

• Work from one location, so multiple people can work on the same files without you having to spend time syncing data.

• Save your data to a secure server, removing the hassle of backing up your files.

Consider... The facts

• There's no need to pay out for software, hardware, IT support and other overheads.

• You have the option to work across all your preferred devices, with your data saved in one location.

• You get the same security as internet banking, including full encryption for data in transit, a zero-downtime and firewalled server network and 24/7 security monitoring for our cloud services.

Learn more about how Cloud Accounting Software enhances the flexibility of your business.

Choosing Your Accounting Software

When choosing your Accounting Software, take into consideration the following factors:

Does it include all the basic features?

Look for invoicing, data entry, income and expense tracking, report creation, and other features suited to your business – like inventory management or time tracking apps.

How does it save time?

Software can automate a range of tasks – like recurring invoices and account reconciliation. Make sure your software helps save time in the areas that'll have the best impact on you.

How useful is it at year end?

Tax preparation is one of the most stressful times for business owners, but Accounting Software with features like automatic tax calculations, tax reports, and the option to add different tax rates will make life much easier for you and your accountant.

Does it have any add-on services?

Look for software with plenty of relevant integrations, like payment processing or payroll, that'll make life easier in the areas key to your business. Most software is designed to sync with add-on services, which'll help further centralise your workplace.

Is it accountant friendly?

If you're going to be working with your accountant, then you should choose software that works for both of you. Multi-user log-ins and real-time data are key to successful collaboration.

You may also find that your accountant recommends software, but remember that they'll have a better understanding of bookkeeping and accounting than you – so it's important to shop around and find software that's easy to use and understand.

Is KashFlow right for you? Arrange a free 1-2-1 demo by calling 0330 057 3989 to see whether our cloud accounting software might benefit your small business.
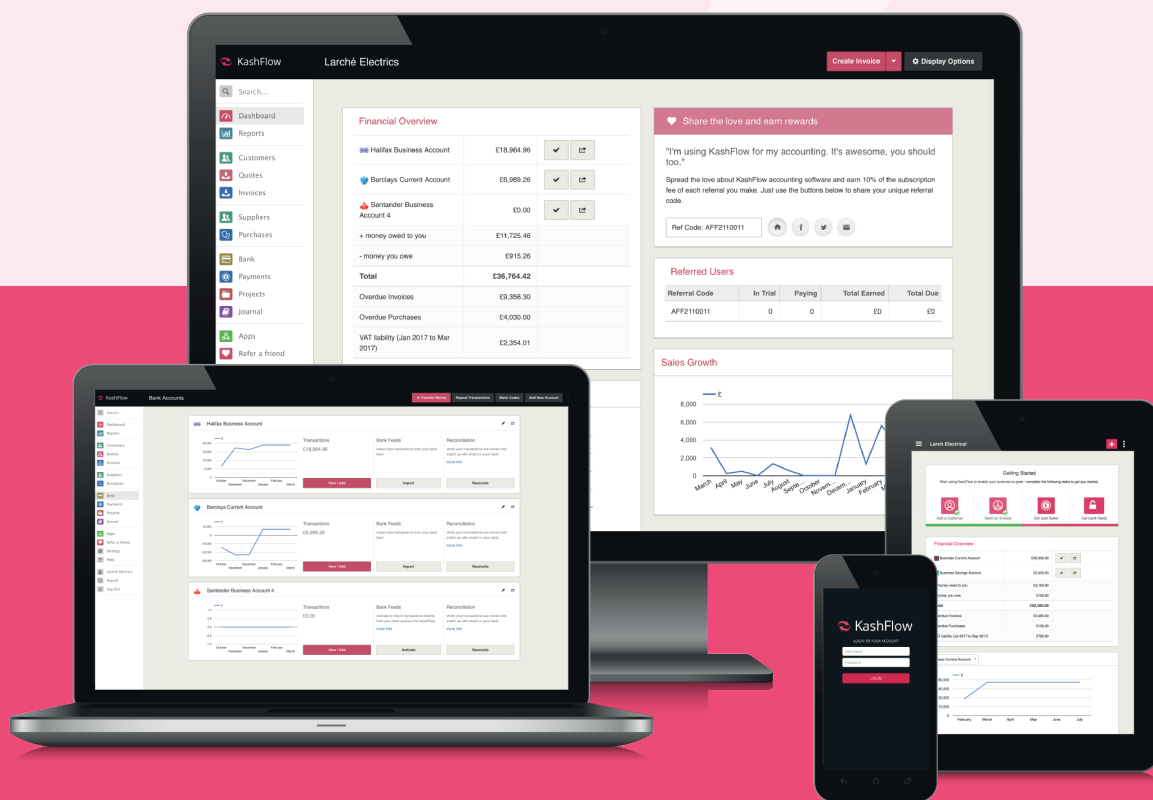
About KashFlow

This guide to choosing accounting software was brought to you by **KashFlow** – specialists in straightforward accounting software for sole traders, contractors & small business owners across the UK.

Over **57,000** time-strapped business owner-operators use our **Accounting Software** to stay in control of their accounts, get paid faster and make sure they're tax compliant. And as a small business takes on its first employees, KashFlow **Payroll** and **HR** are there to support too.

Started, grown and still based in the UK, we experience the same changes, challenges and legal compliance UK businesses face first-hand – and from that, we've built software that makes it all easy.

Want to try us out for free? **Take a free trial today** to see where we can take you.

Take a *Free* trial