



## Accounting Technology Buyers Guide

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As your business becomes more *complex and unique*, it's important to use an accounting solution that can adapt to your critical requirements. To help you select the best accounting solution, we've compiled these top consideration points. In this guide, you'll learn:

- How accounting technology has changed in the last 50 years.
- Key features needed for a flexible, effective accounting solution for your company.
- What the cost looks like for your new accounting platform.
- What to expect with implementing your new solution.

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## When does the search for a new accounting app begin?

Businesses search for accounting systems when their current system can't keep up with the changes and unique needs of the business as it grows. Most buyers look for the immediate fix: what is the accounting tool that will give me the functionality that I need right this moment? The problem with this mindset is that when you just buy a solution for your current needs, it will be outdated soon.

You're going to keep growing and changing. The complexity of your organization won't stop with the accounting solution you purchase. It'll only ramp up. Therefore, you need a solution that has the flexibility to scale and be customized to suit changing requirements. When you begin your search for new solutions, don't just think about your current pain points. Think about how new pain points and issues will come about and how you'll deal with them. First, consider the likelihood of growth and expansion. Your search for a new accounting app truly ends when you have a solution that's adaptable enough to solve your problems now and in the future. You need a solution that meets the needs of your individual business processes.



## What's changed in accounting technology in the last 50 years?

While accounting has changed slowly, the technology behind it has changed rapidly. The last 10 years alone have seen the highest rate of development through the use of the web. Accounting technology is now governed by these three innovations: the Cloud, APIs, and automation.

### THE CLOUD

All modern business IT is now being built and deployed on the Cloud, through the Software as a Service (SaaS) model. Instead of downloading and managing accounting solutions internally, remote servers run by the software provider let you use the solution whenever, wherever you want. Cloud accounting has made it possible for you to have real-time data to make the best decisions possible for your business at all times. The Cloud also allows for your accounting solution to work with other cloud-based solutions.

### API

Without application programming interfaces (APIs), integration and IT flexibility would be impossible. APIs literally enable different software to communicate with each other. Because of this, APIs are a critical component of cloud architecture. APIs actually provide 'building blocks' for applications. They define functionalities while allowing programs to respond fluidly to requests even independently of their out-of-the-box parameters. This means that the software can be flexible and heavily responsive to users without compromising the overarching IT structure. This becomes very important when you have software that needs to meet individual requirements and connect with a variety of different applications. A *robust* API helps solutions be both exceptionally flexible and connect more efficiently with other apps.

### AUTOMATION

Click a button or schedule a routine and a task, or several tasks at once, are completed automatically. Automation is making accounting faster, more reliable, and less dependent on manual data entry than ever before. There are several types of automation available to make all your web-based solutions perform at a highly efficient rate and with reduced oversight. For accounting, this means less tedious bookkeeping and more data to help you grow.



## Where are the boundaries for accounting in technology today?

Accounting begins when debits and credits are entered into the general ledger. Things like pricing, time tracking, and project management can use accounting data, but these are not accounting events if they don't produce debits and credits in the general ledger. Only when you establish a transaction resulting in debits and credits do you create assets, liabilities, revenue, and expenses for which value must be recorded.

Many people confuse what constitutes pure accounting technology because these boundaries seem to blur with what are sold as accounting functions, but are actually not. When people think of Enterprise Resource Planning (ERP), they assume that this is a comprehensive accounting system. But this isn't the case, it's actually an operations and accounting system combined.



Accounting software systems manage the processes of recording and managing the debits and credits created by business transactions. ERP is a business management system that hosts accounting alongside related operations in the same IT environment. ERPs house operations like order fulfillment, resource planning, and procurement - processes that may use accounting data but do not assign and manage the respective debits and credits. What's further confusing is that ERPs often do house accounting functions. However, this doesn't mean the only accounting systems available are ERPs or that ERPs are the best accounting solutions available. Today, accounting solutions exist as standalone accounting apps or on platforms.

No matter what solution you choose, you must clearly define accounting boundaries. Otherwise, critical data errors and disruptions will likely occur. These boundaries enable your accounting team to truly isolate and analyze the financial dimensions steering your business.

## What role does the accountant play in a company that has adopted modern accounting technology?

Today, the highly-skilled accountant is the curator of your financial data. This role is growing to be more tech-savvy in how they gather and analyze data to help you lead and grow your business. Cloud-based accounting technology is the key component of this shift. As manual entries get eliminated with automation, accountants are freed to serve more as value-added guides or consultants rather than just crunching numbers. This is ultimately what you want.

Data is decisive, now more than ever, in such a fast-paced IT environment. In addition to overseeing transactions and consolidations, monitoring accounting data is important for maintaining your company's [financial health](#). When you look into accounting solutions, really consider how it will let your accountants collect, [visualize](#), and analyze this data. Your system should help them do their job without skipping a beat. Just a few questions to ask for this would be:

- Does the system provide an audit trail function to track specific information?
- Is the accounting system easy to use and adaptable to business needs?
- How efficient are accounting processes?
- What's the level of automation capable of being achieved in the product?
- How flexible and robust are the reporting features?

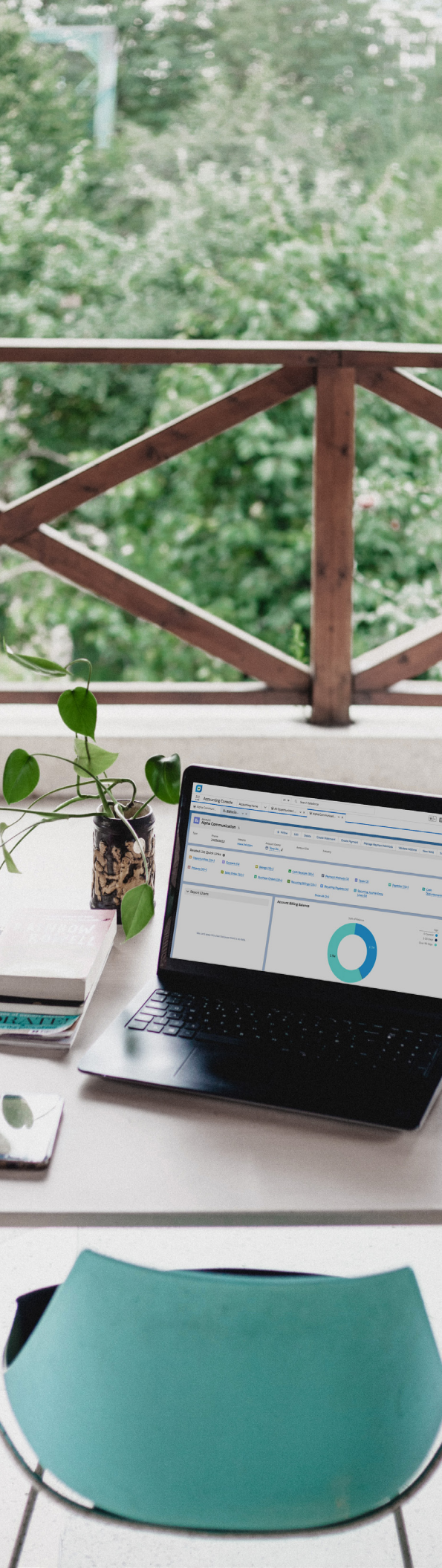
Give your financial experts the system that helps them do their job to the peak of their ability and your company will immediately benefit. Improved workflow, expense management, and decision-making are just a few proven results.



**Accounting Seed plays a vital role in our ability to function at the highest capacity. We've streamlined our monthly closing cycle from 25 days down to three days. A huge win for us!"**

**- Jason Parsley**  
Chief Operating Officer  
Brindlee Mountain Fire Apparatus














## What is considered standard functionality in accounting systems today?

A lot of accounting systems are equipped with core fundamental functions. For example, most applications will be cloud-based, be able to email things like invoices out to customers and stakeholders, and perform batch billing processing.

Here are standard features and functionalities you'll definitely need in an accounting system:

General Ledger	Banking	Accounts Receivable
 <ul style="list-style-type: none"> <li>• Multi-Currency</li> <li>• Multi-Company</li> <li>• Budgeting</li> <li>• Financial Reporting</li> </ul>	 <ul style="list-style-type: none"> <li>• Bank Direct Connect</li> <li>• Bank Reconciliation</li> <li>• Integration to Stripe</li> <li>• ACH Debits and Credits</li> </ul>	 <ul style="list-style-type: none"> <li>• Billing</li> <li>• Cash Receipts</li> <li>• Collections</li> <li>• Revenue Recognition</li> </ul>
Accounts Payable	Orders	Inventory
 <ul style="list-style-type: none"> <li>• Vendor Invoicing</li> <li>• Cash Disbursements</li> <li>• Expense Recognition</li> </ul>	 <ul style="list-style-type: none"> <li>• Sales Orders</li> <li>• Inventory Allocation</li> <li>• Packing</li> <li>• Shipping</li> <li>• Purchase Orders</li> <li>• Drop Ship PODs</li> </ul>	 <ul style="list-style-type: none"> <li>• Bundling (Kitting)</li> <li>• Serialized Inventory</li> <li>• Building of Inventory</li> <li>• Multi-Warehouse</li> <li>• Multi-Location</li> </ul>
Project Accounting	Integration Ready	Portal Access
 <ul style="list-style-type: none"> <li>• Job Costing</li> <li>• Project Budgeting</li> <li>• Project Profitability</li> <li>• Time and Expense</li> <li>• Time and Material Billing</li> </ul>	 <ul style="list-style-type: none"> <li>• Robust API</li> <li>• Connects with banks and credit cards</li> <li>• Shares data with business apps</li> </ul>	 <ul style="list-style-type: none"> <li>• Vendor Invoicing</li> <li>• Cash Disbursements</li> <li>• Expense Recognition</li> </ul>

It's important to ask yourself whether basic accounting application functions are enough. You'll probably find that they aren't. If this is the case, what you need is an accounting platform, not just an accounting system application.

## What's an accounting platform versus an accounting application?

What separates an IT platform from an IT application is the level of control and operational dexterity it allows. An accounting application's goal is to just help you manage your accounting, and it's equipped with the basic tools mentioned above. It may allow you to customize some aspects of your accounting process, but this tends to be limited. You'll be able to access functions and perform key processes, but generally, you're restricted to the framework of the accounting application.

An accounting platform isn't just a framework, but also a toolset you can use to dictate how you use the technology. An accounting platform is an IT stack of technology designed specifically for you to build on top of it. IT platforms are designed to be tailored according to user needs. You'll have basic accounting system functions, but platforms also contain features that let you customize and control how these features serve your needs. This differs from a basic accounting system that remains set in what it offers. The design goal behind accounting platforms is to offer more advanced functionalities in a way that it can continue being built upon for better use. What really makes your accounting functions scale are the platform features that help you navigate and manage the accounting solution.





## What are some value-added platform features today?

Platform functions are tools within the system that let you communicate, share and update data, secure information, and manage operations within the platform. These are not accounting functions. These are features that optimize how you work within the accounting tool, giving you full control over the accounting data and process.

Here are some value-added platform functions:

<b>Custom Objects &amp; Fields</b> <ul style="list-style-type: none"> <li>Point and click, no code necessary for:           <ul style="list-style-type: none"> <li>Custom data tables</li> <li>Custom data fields</li> <li>Custom data tabs</li> </ul> </li> </ul>	<b>Custom Interface</b> <ul style="list-style-type: none"> <li>Drop and drag pages</li> <li>Mobile friendly</li> <li>Utilities and widgets</li> <li>Record Types</li> <li>Multiple page types</li> </ul>	<b>Security</b> <ul style="list-style-type: none"> <li>Permission Sets</li> <li>Profiles</li> <li>Queues</li> <li>Hierarchy-based access</li> <li>Public Groups</li> <li>IP Location Control</li> </ul>
<b>Point &amp; Click Automation</b> <ul style="list-style-type: none"> <li>Field Updates</li> <li>Record Creation</li> <li>Tasks</li> <li>Alerts</li> <li>Messages</li> <li>Email</li> </ul>	<b>Chatter</b> <ul style="list-style-type: none"> <li>Social Media inside</li> <li>Follow records</li> <li>@mention users</li> <li>Receive feed summaries</li> </ul>	<b>Document Management</b> <ul style="list-style-type: none"> <li>Attachments to every data record</li> <li>Notes</li> <li>PDF</li> <li>Images</li> <li>Google/Microsoft Office</li> </ul>
<b>Multi-Tenant Cloud</b> <ul style="list-style-type: none"> <li>Cloud-based platform</li> <li>Backed up</li> </ul>	<b>Multiple Environments</b> <ul style="list-style-type: none"> <li>Production Org</li> <li>Sandbox Org</li> <li>Data Sandbox Org</li> <li>Developer Org</li> <li>Data Archiving</li> </ul>	<b>Robust API</b> <ul style="list-style-type: none"> <li>1000s Global Classes</li> <li>Restful API</li> <li>Meta-Data API</li> <li>Code Packaging &amp; Layering</li> <li>Job Scheduling</li> </ul>

You'll see that many of these platform features make the basic tasks around accounting easier. For example, chatter lets you create chat groups and leave messages to help your team understand what's going on in various stages of the accounting life cycle. This lets staff communicate over accounting information to resolve issues fast.

Having task functions let you assign, monitor, and complete events in the system. This is a vital tool for helping you meet key deadlines, like a monthly close. Email notifications are also sent to inform users of assigned tasks. The task tool enables managers to assign specific individuals with certain assignments to ensure workflow is clear and efficient. All these other platform features enrich the accounting because they allow companies to use the technology more dynamically. The tools to dictate internal controls and best practices are immediately available.

## Product differentiators

Accounting features alone won't guarantee a strong accounting platform. Remember, looking at just the features you need, only solves your problems temporarily. For an effective solution, look past feature sets and identify what differentiates the individual product from others. Understanding the central focuses of the accounting software will tell you how the technology is equipped to grow with your company and continually meet your needs. The first, most important differentiator you should look for is flexibility.





## FLEXIBILITY

Software flexibility is a decisive factor in whether your software can fully support your business or hold you back. Every business is unique, so an untailored one-size-fits-all type of accounting software is highly antiquated. True value from your accounting system lies with how it conforms and continually adapts to your individual needs and processes. This flexibility also contributes to how the solution will scale to your organization. The last thing you want is to invest in technology that you'll have to replace because you've outgrown it.

As your company's bookkeeping and business model expand, system flexibility grows with your changes, not the other way around. Consider how optimized the accounting system is for configuration and customization. Make sure the accounting platform can continually meet new requirements.

## CONNECTIVITY

The way accounting software works with your other essential apps defines the accuracy and ease of your accounting processes. Nobody wants to spend hours and money manually entering accounting details and then re-checking them. Connecting your accounting tool to relevant business tools is the solution. Therefore, IT integration, the way in which systems can connect to and share data with outside systems, is an important consideration.

Even after implementation though, poorly developed multi-platform integrations connecting un-related systems can still face continuous connectivity issues. Data issues and disruptions must usually be monitored and maintained following implementation. This, of course, drives up costs.

There are two ways to avoid this dilemma. The first is to avoid multi-platform integration between separate apps altogether. This is done by linking all of your business tools, including accounting, together on a single platform. This frees you from having to rely on outside applications that must be integrated with your other business apps. One of the main benefits of choosing accounting software built on a shared-platform like Salesforce is that multi-platform integrations are unnecessary. All of these apps powered by the platform are already [natively connected](#). This is what we call [single-platform integration](#).

The second best option is to choose an accounting system with a strong, robust API. Open API, in particular, provides strong connections for both single-platform and multi-platform solutions. This is the base API that Salesforce uses for its native applications' architecture. Open API is the best way to ensure data can be shared accurately, quickly, and securely. Overall, your accounting system is only as useful as it is connected with the solutions it needs to draw accounting data from.

## AUTOMATION

Everyone wants their accounting to be faster, easier, and accurate; the key to this is automation. The availability and flexibility of your solution's automation functions are not only a convenience, but important for helping you manage increasing transaction amounts. Look for these three core automations in your prospective solution.

### ● Event Automation

Transactional accounting is now more streamlined and easier because accounting platforms can fully automate repetitive entries for you through event automation. For example, Accounting Seed utilizes click-not-code automation which enables you to do multiple functions with just a button click. The simpler automation is to implement, the more efficiency you gain. This also reduces your manual labor while enhancing your entire system's accuracy.







- **Batch Automation**

Batch automation, or batch processing, is automation in which the system completes batches of jobs at once instead of forcing you to do each job individually and manually. Batch automation lets things like revenue recognition and billing be done in mass to save you time and meet deadlines. You can also run multiple batch operations sequentially according to your defined processes.

- **Scheduled Job Automation**

Scheduled job automation ensures that your accounting never falls behind for you or your customers. Processing jobs manually always carries risks of delays or errors. Recurring jobs create consistency and help you to meet deadlines. You should be able to automate daily, weekly, and monthly processes as you need. Once set, these can be easily adjusted to reflect new changes to billing or revenue cycles.

## **ACTIONABLE REPORTING**

Every accounting system offers financial reporting as a common feature, but few let you fully control the way you can gather, analyze, and present data. Being able to control and isolate select data gives you fast, accurate answers to your most relevant questions. Look for a system that offers custom reporting in addition to a complement of standard [financial statements/reports](#).

Strong reporting also revolves around system tools that let you analyze and track specific data throughout the accounting life cycle. You'll also want drill-down functionalities and an [audit trail feature](#) to help you track finances. Otherwise, you'll struggle to find precise details quickly and risk major data errors slipping past you.

Remember, stronger reporting gives you stronger data to steer your company towards the greatest return on investment.

## **COLLABORATION AND VISIBILITY**

Being able to collaborate and visualize your accounting data is essential in today's fast-paced work environment. Features designed around visibility and collaboration provide a more proactive and effective way to track and compile critical accounting data. In addition to strong reporting capabilities, here are some additional features you should look for:

- **User-Friendly Dashboards**

[Financial Dashboards](#) provide a visual display of key metrics and trends of a company's accounting. At a glance, you and your team can see your finances in real-time, an immense time-saver. This is highly valuable for tracking key details to gauge financial health or milestone statuses. Naturally, you'll want dashboards that are easy-to-use and responsive. Look for dashboard settings that let you customize the data and view as you need.

- **Scheduled Reports**

Your financial reporting features should also have the option to create scheduled reports for key stakeholders. The variables and finances dictating your business are always changing. Scheduled reports let your team always be up-to-date on the current numbers to make strong decisions.





Seamless communication and coordination within the accounting platform are also vital. Key team members must be able to access, share, discuss, and validate accounting data together. In addition to platform features like chatter and tasks, other relevant platform tools include:

- **Workflow Rules**

Workflow rules let you create and automate internal processes and procedural steps for key accounting processes. The way they typically work is like this: when x happens, y is the result, onto the next event in your workflow sequence. This helps avoid mistakes and structures proper workflow.

- **Approvals**

This feature automates specific steps or sequences of events that require an official signoff on a record to ensure accuracy. All leaders and key personnel will be able to review and work on relevant processes without losing track of them. This also establishes accountability and a system of checks and balances.

## SECURITY

While being on the Cloud effectively protects your accounting data from natural disasters, your accounting platform still faces several financial security threats. People pose the biggest external and internal threats to your accounting system. Both are controllable based on your accounting system's security features.

External threats are primarily the cyber security attacks and data breaches that are constantly on the news. An example would hackers trying to steal your financial information and/or that of your customers. In 2015, 89% of data breaches were motivated by financial gain or corporate espionage, which hasn't slowed.

To prevent external data threats, choose the accounting solution with highly secure [infrastructure and encryption](#) to protect your data from hacking. Many accounting solutions are also equipped with basic security functions out-of-the-box like closing accounting periods, passwords, and usernames. Features like these provide the first wall of defense against hackers, but it's not enough. The problem with having only basic security features like these is that your internal staff, and anyone who breaks into your system, can still view data and do damage.







Internal accounting security threats are the most overlooked. Around 60% of all cyber attacks were conducted by employees with mal-intent. However, data security isn't just threatened by malicious activity. About 40% of senior executives cited that internal accidental data sharing is a big security issue. Additionally, 80% of breaches are attributed to human error. More concerning is that internal breaches and mistakes are usually more expensive than exterior attacks. Internal security features serve to control access to this data.

Your accounting solution must provide internal control features that let you manage system access. These features work to prevent data corruption and theft from within your own organization while providing additional layers of protection against external threats. Here are a few examples of important internal control features you'll want in your accounting system:

- **[Two-Factor Authentication](#)**  
Two-factor authentication lets you enable a second level of authentication for every login. You can also implement this when a user is performing a specific function.
- **[User Permissions](#)**  
User permissions let you clearly define what tasks users can perform, approve, and access.
- **[User Role Hierarchy](#)**  
Establishing a user hierarchy lets you dictate which specific user(s) can view or change specific components of accounts or records within the system, like reports.
- **[Validation Rules](#)**  
Validation rules establish standards for recording and handling data. Based on business logic, these rules prevent processes from being completed out of sequence.

For more in-depth details on accounting data risks and security features, visit our [blog](#).

## How should you calculate the total cost of ownership for your accounting solution?

The total cost of your accounting solution doesn't end at the software subscription. Other factors include integration and the labor surrounding implementation. Here's a formula to help:

**Accounting System Subscription + Licensing Costs  
+ IT Integration + IT Labor = Total Cost**

Subscription and licensing (costs per user to have access using the application) are upfront and generally straightforward. The true hidden costs of cloud IT software begins with [software integration](#). Remember, most software applications are designed independently, they can't communicate with each other. Therefore, based on your solution, establishing and maintaining integration may be part of the implementation process.



Traditional, multi-platform IT integration costs involve the use of middleware, tech used to establish the connection, and IT labor. This labor includes IT consulting and the process of creating, deploying, and maintaining the integration. Recall, those integrations between siloed applications usually require systematic maintenance too. These integration costs can be avoided if you choose an accounting solution on a shared business platform. This would leave you to just concentrate on the subscription costs and labor surrounding implementation.

If it isn't possible to avoid integrations, make sure that you carefully define the requirements, triggers, data entry points, and design patterns to secure the desired functionality. This will help minimize data errors or dysfunctions. Choosing an accounting system with a flexible, reliable API pays off with a stronger connection.





IT labor costs are both internal and external, and involve time and money. Internally, this reflects your in-house staff implementing and adapting to the new tech. Externally, this involves outside IT professionals to help you implement the product. These external resources include the software company providing product assistance, their implementation specialists, and or independent IT professionals you bring onto the process.

As you explore options, ask software providers about these costs and get estimates to form a budget upfront. While each case is different, the flexibility of your accounting platform will be a major time and cost saver throughout the adoption process. Teams will spend less time and money having to implement the solution.

### What should you expect in the adoption journey of a new accounting technology?

No matter what technology you choose, there will be adjustments. Strong project planning and transparency with your software provider is key. Start by getting statements of work for the implementation that are in the 4-8 week time frame. Apply this as an Agile methodology too, in a multiple of two weeks. If you accomplish implementation milestones ahead of schedule and are adopting the tech well, you can always accelerate your plans.



Always measure your progress towards key milestones to remain on track and adjust goals for your desired completion time.

Maintaining communications with your accounting platform provider and IT specialists initiating the implementation is also important. You'll need to align requirements and goals from the beginning to achieve system deliverables on time and on budget. This is the time where a structured adoption plan needs to be created and orchestrated from the C-suite, down. You can find more details on implementation risks and best practices in our [video/blog](#), here.

### About Accounting Seed

Accounting Seed is a modern, robust accounting platform powered by the Salesforce platform. We're committed to breaking down silos and building connections in order to take your business to the next level. Schedule a free demo here or contact us today to begin our conversation.





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