

# A GUIDE TO CLOUD ACCOUNTING

## Helping Your Clients Get Started with Cloud Accounting

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Until recently, accountants and their small business clients would probably not have entrusted critical financial data to an outside company. But cloud accounting applications are slowly but surely becoming the norm. Many accountants and small business owners are taking notice, particularly because of the many benefits of cloud accounting. Benefits including access from anywhere, integration with third party applications and banking software, better backup, quicker bug fixes, and immediate access to upgrades. And most importantly: better security.

Cloud accounting offers many benefits to both your accounting team and your clients, and resolves many problems associated with traditional accounting software—problems that are costly and can hinder business growth.

As a professional accountant, your clients look to you for a range of services, including advice on how to save money, make financially sound decisions, and prepare for a strong future. Educating your clients on the savings and operational efficiencies associated with cloud accounting, and the many cloud-based tools available to them, is a great value-add discussion to build trust and deepen your client relationships.



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# Why Your Clients May Still Rely on Traditional Accounting Software

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New business owners are concerned with running and improving their business by increasing revenue. Carefully selecting accounting software is usually an afterthought, resulting in the adoption of traditional no-frill software that meets their current basic needs. This decision is also driven by the fact that traditional accounting software is readily available and relatively cheap. It's typically able to satisfy the demands of a small business owner because the software itself is a one-size-fits-all approach. Besides a few distinct features, the majority of accounting software companies offer similar features but differ in regards to user interface, pricing, and customer support.

As their business grows, your clients may decide to update or change accounting software versions

and this is where a number of problems may arise. Dealing with version issues is the number one complaint that users have with traditional accounting software. However, contrary to what many business owners believe, traditional accounting software does not require upgrading to the newest version every year. The warnings and prompts to update are actually just a scare tactic employed by many accounting software companies. Nevertheless, updates eventually will be necessary, and with those updates a number of problems can arise, including files not being properly updated, files getting lost in the transition, old files not being read by the new version, and slow run time with multiple users, just to name a few.



## Other common challenges with traditional accounting software include:

- ▶ The data in the system won't be as up to date as compared to cloud accounting that updates everywhere the software is accessed simultaneously.
- ▶ It only works on one computer and data bounces from place to place. For example, on a USB drive. This is obviously not secure or reliable.
- ▶ Only one person has user access. Key people can't access financial and customer details as needed.
- ▶ It's costly and complicated to keep backups (if they're done at all).
- ▶ It's expensive, difficult, and time-consuming to upgrade the software.
- ▶ Customer support is expensive and slow.

The majority of traditional accounting software stems from decades old technology relying on a proprietary database that will eventually slow down the performance due to re-indexing issues and a lack of proper maintenance. If your client's business continues to grow at a rapid pace, their company may even require a server and IT staff to maintain a satisfactory performance level.

Of course, these down-the-road issues are not considered when small businesses begin, but are hard to change once they've come to rely on the software.

However, as their company grows they quickly realize that the accounting software that they've relied so heavily on is no longer adequate and may actually be hindering the business from growing. Your clients may have experienced these issues and tried to resolve them by upgrading and adding additional features. However, this problem will keep popping up as their business grows.

# The Benefits of Cloud Accounting

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Cloud accounting means small business owners stay connected to their data and their accountants. You and your clients can use cloud-based software from any device with an Internet connection. It provides accounting capabilities to businesses in a similar fashion to the SaaS (Software as a Service) business model. Data is sent into “the cloud,” where it is processed and returned to the user. All application functions are performed off-site, not on the user’s desktop. The software can integrate with a whole ecosystem of useful add-ons. It’s scalable, cost-effective, and easy to use.

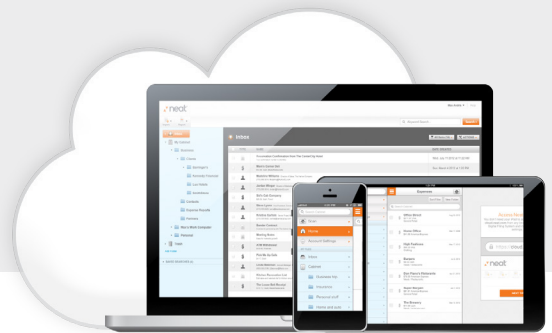
“The main benefit of using cloud accounting software is anytime/anywhere access to the data,” says Doug Sleeter, founder of The Sleeter Group, whose mission is to help accountants and small businesses work

together by using the most innovative and tested tools and systems to generate greater efficiencies and higher profits.

“This means travelers and remote workers can access the data, and accountants can play a direct role in helping businesses with their accounting. Without the cloud, accountants cannot easily access client data, so doing any proactive services is quite difficult. Other benefits are: the accounting data is constantly backed up and managed by the service provider; connecting mobile devices and add-on apps to accounting is easier when everything is in the cloud; and, even though it may seem counterintuitive, your data is actually safer in the cloud than it is on your desktop.”

## Benefits of cloud accounting software for your clients:

- ▶ They get a clear overview of their current financial position in real-time.
- ▶ Multi-user access makes it easy to collaborate online between employees and vendors.
- ▶ Worry-free maintenance means business owners can spend more time doing what they love.
- ▶ Everything is run online, so there’s nothing to install and everything is backed up automatically. Updates are free and instantly available.
- ▶ Upfront business costs are reduced—version upgrades, maintenance, system administration costs and server failures are no longer issues. Instead, the cloud service provider manages these functions.



## How Safe is Your Client's Financial Data in the Cloud?

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Small business owners might be concerned about a cloud service provider storing their data. But the cloud is actually one of the most secure ways to store information. For example, using cloud software, if your laptop is stolen, no one can access your data unless they have a login to the online account. With cloud software, your data is housed remotely as opposed to on your hard drive.

Nonetheless, there are always risks—the biggest of all being simple human error. “We must select reputable cloud companies, otherwise all of the benefits of the cloud could be undone by the quality of the provider,” explains Sleeter. “Reputable cloud vendors have world-class security. There’s no way for small businesses to ensure that the servers and desktops are as secure as the cloud vendors’ data centers. These vendors deploy mirrored servers in several locations that are secured physically, using identity management, with multilayered firewalls and intrusion-protection systems. In the event of a failure or loss of your local desktop, all data remains safe and unaffected. Just log in from a different computer. However, even after we adopt world-class security vendors, security is no better than the best practices you implement in your own company. You must enforce proper password management

with every employee. For example, if any employee stores passwords on paper in their desk, that can foil even the best security system. Also, if your internal networks do not employ robust anti-virus controls, a virus could enter your local environment and wreak havoc including stealing passwords as you type them into web sites via your browser.”

Storing financials in the cloud also safeguards productivity and important deadlines from natural disasters and bad weather that would otherwise be affected by local storage. All of your client’s information is safely and securely stored off site. As long as they have access to a computer or mobile device connected to the Internet, they’re up and running.

In addition to this, if your client’s invite outside parties to view their data, they can control the level of access. This is much more secure than the old-fashioned way of emailing files or sending out a USB stick with precious data.

Cloud-based software companies ensure that the security and privacy of data about an organization is always airtight. If your client’s use online banking, then they’re already primed to use cloud accounting.

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Reputable cloud vendors have  
**world-class security.**”

-Doug Sleeter

# Essential Apps and Tools for Smarter Organizations

## Digital Scanners for a Secure, Mobile, Paperless Office

When asked about recommendations for essential apps and tools for a more efficient workplace, the first thing Doug Sleeter thinks of is the importance of going paperless. “In order to effectively use cloud anything,” explains Doug, “you have to start by digitizing your paper documents. So, the first must-have is either a paperless (or more accurately, less-paper) strategy and tools such as quality scanners and cloud document storage.”

Digitizing paper documents and storing them in the cloud lets business owners simply do more with them. Once digitized, the documents are turned into a source of actionable data, easily searchable via Optical Character Recognition (OCR) technology. The Neat Company offers digital scanners that are easy to use and provide many benefits beyond going green and eliminating paper clutter around the home and office. There are many types of scanners that enable today’s savvy professional to store documents digitally, including: small lightweight portable scanners for travel, smart phone scanner apps for

unexpected on-the-go scanning needs, automatic document feeder (ADF) scanners for large scanning jobs, and flatbed scanners for digitizing items that are fragile or not perfectly flat. Consider whether the following benefits would help you and your clients share documents more easily, and improve operational efficiencies.

Although some forward thinking retailers offer the option of sending customers a digital receipt, this is still far from the norm. That means customers usually need to hold onto a paper receipt for exchanges, returns, or expense reports. Not only does this create a storage problem, but also a liability with sensitive information. Storing receipts in a digital filing cabinet is much safer. This becomes easy when you scan the receipt into your computer, turning it into a searchable PDF that is automatically sorted in a “digital filing cabinet.” Neat digital scanners offer a cloud storage feature, providing the additional benefit of having that receipt with you wherever you are, accessible via all of your mobile devices.

Most small business owners will want to expense a dinner from time to time. A mobile scanner app lets them digitize the receipt and automatically store the document in their cloud based digital filing cabinet. When it’s time to review the expenses and get reimbursed, everything is conveniently located in one place. Digital receipts also have the advantage of being crystal clear images long after paper receipts would have become faded and crumpled. So both you and your clients can rest assured that the records will hold up for when they’re needed.



Receipts, invoices, and other financial documents can be exported to Quicken®, QuickBooks®, TurboTax®, or Excel®.

Digital receipts make tax time easier. First, a digital system eliminates the hassle of saving receipts and records for the recommended 3 - 7 years (depending on how the taxes are prepared and what the records pertain to) after your client's submit their tax return. Either you or your client can add tax information or assign tax categories to receipts that are digitized, so when tax time comes, everything is prepared in a way that the business owner and accountant can use. The receipt scanner software has Intelligent Text Recognition technology that automatically recognizes various types of data on the receipt, such as the vendor, location of purchase, date, price, and payment method, so that anyone given permission can easily search for the receipt by any of these criteria. That means no more rummaging through folders for crumpled, faded, receipts.

Receipts, invoices, and other financial documents can be exported to Quicken®, QuickBooks®, TurboTax®, or Excel® and shared between accountants and business owners, in real time, over the cloud. The IRS accepts digital receipts, so it's safe to rely on them. If you've ever asked to produce any of your receipts, they can be located quickly. Having all expenses documented will also ensure that your client's receive their qualified tax deductions and save as much money as possible.

Business cards are another item that is far more useful when stored digitally. Networking is key to the growth of any business, and yet business cards are so frequently misplaced. The problem is that there's not a dedicated place to store printed business cards, and yet there are no signs of the physical cards going away any time soon. The solution is to digitize them, making them safe and accessible via keyword search at all times. Once they're digitized, you can search for names, titles, companies, and other information on the cards, to quickly find the talent you want.

Optimally, a digital system should include a desktop scanner, a portable scanner, and a scanner app. The scanner app or portable scanner is useful while traveling, and the desktop scanner will be the workhorse back at the office. When used in conjunction, business owners have a foolproof system that ensures all of their paperwork is digital and stored in the cloud, accessible on all of their devices. This means that even the business cards, pamphlets, and other marketing collateral picked up at tradeshow and networking events won't get lost. And anything else needed while on the road traveling for business is always a few clicks away.

To help your small business clients stay on top of their finances, get better organized, and keep more money in their pocket, consider recommending a digital scanner. They're a foundational tool in transitioning important files to the cloud and creating a smarter organization.

**53% of SME owners/managers** would consider looking for a new accountant if their current accountant was reluctant to investigate and embrace a Cloud-based accounting software.

**Source:** CCH, a Wolters Kluwer Business, Cloud computing - a matter of survival for the accounting industry?

## Protecting Business Critical Information

“Security is key, so we could not live without password management solutions such as LastPass, RoboForm, or Zoho Vault. These products allow you to manage complex, unique passwords on every web site you visit, but store them in an encrypted form, so you don’t have to remember every password,” says Doug.

## Invoicing and Bill Payments

“Online invoicing and bill payments are also a must-have. By moving all of your AR and AP to the cloud, you don’t have to use paper and snail mail. This increases security, reduces fraud risk, and improves cash flow. We use and recommend Bill.com to virtually every business.”

## Online Payroll

“Moving payroll online is also a must-have for us. Payroll is such a critical-path business process that there is just no room for mistakes delays caused by the need for the check signer to be “in the office on pay day”, or the security risks of paper-based paycheck delivery. We use and love ZenPayroll and as they build out capacity in all 50 states, we believe they will be quite successful. Intuit Online payroll is also a very mature offering, and is compelling for anyone who uses QuickBooks desktop or QuickBooks Online.”



**62% of accountants** believe the biggest benefit of using a Cloud-based system is that it can be accessed from multiple locations

**Source:** CCH, a Wolters Kluwer Business, Cloud computing - a matter of survival for the accounting industry?



## Meeting the Demands of Business Today

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Inform your clients about using digital technology intelligently to improve their productivity and efficiency with secure cloud storage and services. The global marketplace increasingly demands the anytime/anywhere accessibility and real time collaboration made available by cloud computing. Businesses can't afford to be held back by version updates and software that doesn't accommodate a scaling business. Cloud accounting simply offers better collaboration, security, and scalability for any business.

"With the way we all work and live, the whole world is relying on, and in fact requiring, software to be available anytime/anywhere and on any device," says Doug. "Customers want to shop, purchase, and be supported online, so every business must respond in order to remain relevant. And once their business processes are online, the accounting system should be there, too. It is difficult, clunky, and inefficient to have most of the business online, but have accounting on the desktop."

## About Neat Co.

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Our goal at Neat is to help you get to what matters. Whether what matters to you is growing your business, spending more time with your family, or tackling the project you've always dreamed about, what matters to us is helping you work more efficiently so you can find time each day for the things you love.

## Cloud + Mobile + Desktop

One ecosystem for all your important information - on your desktop, in the cloud, and with mobile.

Neat transforms your digital and paper documents into useful, organized information. Our integrated system of software, hardware, cloud service, and mobile app makes it easy to acquire, search, share, and access your most important information - anywhere, anytime.

Want to know more about what Neat can do for you and your small business?

**Call:** 866-632-8732 | **Visit:** [Neat.com](http://Neat.com) | Follow us on Twitter [@neatcompany](https://twitter.com/neatcompany) and [@ms\\_neat](https://twitter.com/ms_neat)

## About the Sleeter Group:

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The Sleeter Group is dedicated to helping accountants and small businesses work together by using the most innovative and tested tools/systems to generate greater efficiencies and higher profits. The company represents an independent view, separate from any particular company or product, and evaluates products and solutions based solely on how they meet the demands of small business owners. In addition, the Sleeter Group runs the Sleeter Group Consultants Network, which is a community comprised of nearly 800 accounting experts who provide consulting services to small and medium sized business owners in accounting software and business process design. For more information on the Sleeter Group, please visit <http://www.sleeter.com> or follow them on twitter [@sleetergroup](https://twitter.com/sleetergroup).