

Ask SCORE

My home improvement business has outgrown the basic accounting software that I've been using. I've done a little research on what's available, but the information I've found so far is overwhelming and confusing. How do I evaluate my options?

Accounting software has become so powerful and user-friendly, even those who have done little more than balance their checkbooks can easily keep accurate track of their small business's financial performance.

Though there are quite a number of brands of accounting software, not all of them are alike. Before selecting a new system or upgrading what's in place, first determine what features you will need (e.g., accounts receivable/invoicing, accounts payable, project management, reports, etc.), and those that may simply be "nice to have" if the price is right. Examples of these options include time tracking and billing, credit card processing, remote access, and tax and electronic payment services.

Also consider these questions:

Do you need industry-specific software? There is a wide range of accounting software for industries such as manufacturers, construction and wholesalers.

Can the product grow with your business? How much will it cost to upgrade or add new modules as your company's needs change?

How compatible is the software? The software must work seamlessly with your existing hardware and services such as your payroll or accountant and your bank. It should also be compatible with your existing accounting software so you can easily export data from your current system to the new system.

Do you want desktop or SAAS (software as a service)? Because SAAS products reside online, you pay a subscription fee instead of downloading it to your computer. This can save money, but be sure you understand all the costs.

What restrictions does the software allow? When dealing with sensitive financial data, you'll want to give different users different levels of access.

What type of support is available? Is support provided by email, phone, user forums, online documentation or chat? Is there a fee for support?

Is a free trial available? This can give you the option to try before you buy and see how well the software works for your business.

Even the best accounting software doesn't replace the need for a bookkeeper or accountant. Ask your current professional for recommendations before you buy. Your IT consultant may also identify system implementation and use issues to consider.

This column is brought to you by the Merrimack Valley Chapter of SCORE, with nearly 70 current and former business executives available to provide free, confidential, one-on-one business mentoring and training workshops for area businesses. Call 603-666-7561 or visit merrimackvalley.score.org for information on mentoring, upcoming workshops and volunteer opportunities. SCORE is a national, non-profit organization and a resource partner of the U. S. Small Business Administration.