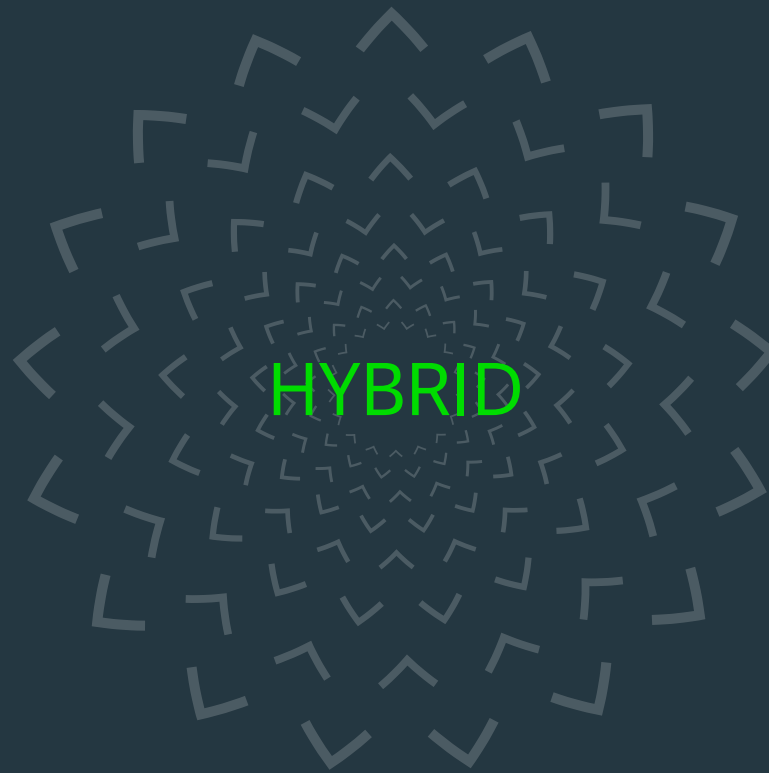


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The benefits of a
HYBRID ACCOUNTING SOLUTION
for accountants and bookkeepers



When you hear the word ‘hybrid’ today, most people think of cars. But what about hybrid software, specifically when it comes to accounting solutions for accountants and bookkeepers? As it turns out, there are a lot of parallels between hybrid cars and hybrid accounting software:

- A hybrid vehicle combines a conventional gas-powered engine with an electric propulsion system. It’s still a hotly debated topic,¹ but the emerging consensus is that hybrid vehicles are one step toward the inevitable: the broad adoption of 100 percent battery-powered electric vehicles² and the phasing out of the internal combustion engine.
- Hybrid accounting software, like the hybrid vehicle, is also a bridge of sorts. Hybrid solutions are a big leap forward from desktop accounting software used by many current accountants and bookkeepers today at firms of all sizes. However, the big prize is purely cloud-based accounting software. Just as there’s been some resistance by some in adopting electric vehicles, many accounting professionals aren’t quite ready to make the leap to purely cloud-based software. For both vehicles and software, the hybrid is a big move in the right direction.

Back to the car analogy. There continues to be reluctance to adopt all-electric cars partly because it’s a newer technology and people, by nature, find it difficult to embrace change. We all love our cars and in many cases are emotionally invested in them. So it’s understandable if you’re saying to yourself that you’re not the one that’s willing to make a change.

Yet the fact of the matter is, many all-electric cars, including the popular Tesla models, out-perform standard cars quite handily.³ It’s 21st-century technology versus 19th-century technology and it’s just a matter of time before the new technology wins out.

And what applies to cars is true for accounting software. Change won’t come tomorrow, or the next day, but cloud software will win out in the end. For accountants and bookkeepers, desktop software has served them well and will continue to do so for a while longer. However, just as other professions have already done, accounting and bookkeeping will move to the cloud, and sooner rather than later.

The question this eBook answers is, “How can you make that move to the cloud without jumping in all at once?” **The answer is hybrid accounting software.**

The future is in the cloud

According to a 2016 Intel Security report, enterprises of all kinds are moving rapidly to the cloud.



Intel Security surveyed 1,200 cloud security decision-makers in eight countries about their organizations' cloud plans for the next 16 months and learned that 80 percent of IT budgets will go to cloud-computing services.⁴

For accounting firms, however, the move to the cloud is happening much more slowly. According to the 2014 biennial Management of an Accounting Practice (MAP) Survey from the AICPA Private Companies Practice Section and the Texas Society of CPAs, accounting firms still rely heavily on locally installed software.⁵

The 2014 MAP Survey included a new section of technology-related questions, asking firms about specific software choices and whether they access

software over the Internet. In summing up the survey, the Journal of Accountancy observed: "The future of accounting software may be in the cloud, but the present remains in the server room—at least for now."⁶

The overwhelming majority of CPAs see the cloud in their future, but according to a CPA.com survey, fewer than one in ten accountants see themselves as prepared today for that future.⁷ Being ready for the future of the profession is not, however, merely a "let's-deal-with-that-tomorrow" attitude as nine out of ten CPAs surveyed agree that firms embracing digital business processes will have a competitive advantage. Yet today, only one in ten CPAs view themselves as innovative.

What makes the cloud so important

A September 2016 information paper from the Federation of European Accountants makes it crystal clear why cloud-based computing is so important for accounting firms:

"The reason that cloud-based computing is important for your practice is that it is important to your clients. Clients are increasingly demanding robust accounting tools that allow them to access and manage their data in real time and facilitate mobile computing. Moving to the cloud is the best way to satisfy these demands and accountants must be ready to adapt to this new paradigm."⁸

So we know why clients want their CPAs, accountants, and bookkeepers to move to cloud-based computing. What are the benefits to firms from moving their IT and software functions away from on-premises hosting to online servers?

Here are some of the positive aspects of cloud-based accounting software:

Improved security

Security was a major concern for all cloud computing when it first became popular. Now, as results from the 2016 Intel Security report mentioned earlier show, business leaders understand that cloud computing really is a safe option. Indeed, recent upgrades to cloud-based computing security have made cloud computing more secure in many respects than standard computing applications.⁹

Automatic updates

Cloud accounting software solutions update automatically, so you never need to deal with pesky manual software updates. All you do is make a monthly payment and all the important data will stay secure.

Accessible from anywhere

If you make the switch to accounting software based in the cloud, you can go work anywhere you have access to the Internet. All you need to do is take your laptop or mobile device.

Accessible from multiple devices

Cloud-based accounting software is accessible from any device with Internet access. Without the cloud, you'd have to install the software on all of your devices and make manual updates or send updated versions of records between terminals. Cloud computing allows you to do some work in one location and then pick up where you left off from a different device.

Less expensive

According to Entrepreneur, cloud computing can be a smart option for small businesses on a budget,¹⁰ so any young or small accounting firms should consider cloud accounting software. Cloud computing allows small businesses to get the most out of the hardware they have, making it possible for them to do more than is otherwise possible.

Easily integrates with other systems

Already using a program that you really like? That's okay. Cloud accounting software generally works well with other programs. It also enhances collaboration. Just as a cloud-based software solution can work with other systems, the people using those systems can work together. When you use a cloud-based system, you can more easily collaborate with new leads, clients, and other employees through the software to ensure everything is right.

Scalability

It can be tough to know how to choose technology that's going to grow as your organization grows and expands. A cloud accounting software solution makes finding software that scales with your business easy. While you will no doubt have to increase and update your hardware as your business expands, you won't need to worry about the software you use.

The hybrid option

One frequent complaint among accounting professionals is that they can't work out of the office if the software they need is on their professional computer. As work lives are more flexible than ever, accountants and bookkeepers are left frustrated and unproductive.

This limitation works both ways. Small business owners with their own accounting software face difficulties when working with outside firms. If the accountant or bookkeeper needs to bring their client's data with them, that information has to be exported, then placed on a flash drive or sent through emails. Small businesses can't edit or update their financial information until the data is returned to them.

Such limitations are why some have made the switch to cloud software. These solutions have been available for businesses and consumers for some time. Their greatest benefit is their portability—individuals can access the same information while in the office or on the go. Unfortunately, while cloud computing has come far since its origins, solutions for accountants and bookkeepers haven't kept up with their needs. They're not as robust as their desktop counterparts—certain features just don't exist in the cloud, making it hard for accountants and bookkeepers to complete certain tasks.



Take the next step . . . a step in the hybrid direction

By combining the best of both desktop and cloud options, hybrid accounting software truly benefits accountants and bookkeepers.

Desktop accounting software is familiar, dependable, and intuitive. It's also very comprehensive and lets individuals complete their work with one product. Meanwhile, cloud solutions provide access to everyone who needs it, including authorized third parties. The software is more secure than emailing data and more reliable than putting records on a flash drive. What's more, data is automatically saved and accessible wherever there's an Internet connection.

A product that combines successful aspects of cloud and desktop accounting software, such as Sage 50c Accountant Edition, provides accountants and bookkeepers with everything they need whenever and wherever they need it.

Hybrid desktop/cloud solutions such as Sage 50c Accountant Edition provide:

- Real-time access to your Sage 50c Accounting clients' information
- Secure online connection
- Same robust features of desktop-only solutions, so there's no sacrificing functionality for online access
- Much safer and convenient way to collaborate and share data when compared to exchanging drives, disks, or emails
- Less downtime for everyone, which means more time to serve clients or spend time with family and friends

If you're not fully into the cloud, hybrid desktop/cloud accounting solutions are a great way to begin this worthwhile journey.



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