



Nurturing Successful Businesses

# Accountancy Software Implementation Guide

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# Why should I be considering implementing new accounting software for my business?

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As businesses become ever more complex, with offline and online sales channels (Paypal, Ebay etc.), the increasing use of internal CRM software for invoicing customers, as well as ever more means of obtaining payment for sales (credit card, direct debit, SagePay, GOCardless, Worldpay etc.), there is actually now more data than ever being processed by SMEs from different sources and this needs to be tracked.

At the same time, there is a sense among business owners that with the availability of online accountancy software, as well as software 'add ons' for everything from **sending foreign payments** more cheaply, **recording time**, collating **staff expenses** and mileage, managing **stock** etc., that bookkeeping and administration activities should be simpler and take less time.

The reality is that the introduction of online accountancy software can in fact provide SME businesses with significant savings and benefits, including the following:

- reducing manual effort and task duplication
- eliminating excel spreadsheets
- ability to more easily delegate responsibility for invoicing, credit control etc. throughout the team
- offering 'anywhere' access via online and mobile
- providing earlier or 'real time' access to cash balances, trading activity and results

However, the '**expectation gap**' between business owners and the oftentimes 'day-to-day' reality can be bridged, by following a structured approach at the point of moving to the online software. This approach is the key to ensuring that the expected savings and benefits are achieved:

- **Planning and selecting** the 'right' accountancy software for the business
- **Setting up and configuring** the software for the unique requirements of your own business e.g. integrating with a CRM, online shop or online sales platform, bank accounts etc.
- **Managing post-migration** in terms of training of staff, inputting data from the old system quickly and efficiently and accessing reports etc.



# When does your business get to a stage where it becomes time to select new online software?

There really is no straightforward 'right' software for a particular business or even a 'right time' to move from your existing platform onto new accounting software.

However, there will be a number of **operational**, **risk** or **reporting** issues that will increasingly impact on the 'day-to-day' running of your business, and these issues will indicate that a change is necessary.

## Key Indicators that existing accounts system is NOT 'fit for purpose' -

- 1 when Excel is **no longer capable of managing your 'day-to-day' business transactions** in any sensible way
- 2 when a current desktop-based system has become **obsolete, unsupported**, requires too much **ongoing maintenance** (with updates and system back-ups) **and/or the risk of system crashes** and data loss is significant
- 3 When keeping routine bookkeeping up-to-date is **too manual** and takes far too much time
- 4 When financial information cannot easily be accessed outside of the office (as the **system is not online**) and/or shared with your accountant
- 5 when large numbers of transactions are processed in other software or platforms, but then **need to be manually re-keyed into the accountancy system** e.g. invoices issued via CRM system, sales via Ebay or an online shop, payments received via SagePay or PayPal, payments to suppliers in foreign currencies
- 6 when obtaining **basic financial reports or additional analysis** on business activity from the existing system is difficult, or requires the creation of bespoke reports each week or month
- 7 when the preparation of management accounts takes an extended period of time on each occasion and this results in 'paperwork' being completed weeks out of date



# What are the typical savings or other benefits the business should obtain post implementation?

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- 1 simple **software cost savings** in comparison with an old desktop system (such as SAGE 50 Accounts) e.g. reduced annual fees, server costs, upgrade costs etc.
- 2 significant **savings in the amount of bookkeeping time** required to process routine 'day-to-day' transactions e.g. more efficient issue of sales invoices and the processing of supplier invoices etc.
- 3 increased **automation of routine transactions** e.g. import of bank transactions, integration opportunities with other software used by the business e.g. import of sales data (from CRM software, Ebay, online shop platforms) and import of payment data (from merchant credit card accounts, PayPal, GOCardless platforms)
- 4 opportunity to export financial data back into external systems i.e. **payment data into CRM systems for sales or customer facing staff**
- 5 ability to **import data received from third parties directly into the system** as sales invoices or purchase transactions
- 6 simpler **access to key business data** for management (and accountants/bookkeepers) **online and/or via mobile**
- 7 more flexible input of transactions into the accounting software leading to **more detailed analysis for management** e.g. sales by individual, costs per location, sales/margin analysis by channel, activity by project etc.
- 8 more efficient and shorter month end processes leading to **earlier and more effective meetings by management**
- 9 **better informed and quicker decisions** by business owners resulting in better cost control, cashflow forecasting or earlier action against business risks



# What is the most effective time to commence a migration project?

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Planning of migration projects can be commenced at any time, and obviously the more time available to plan for the specific needs of that business, then the more likely it is that an immediately successful system implementation will be delivered.

Traditionally, it was suggested to have both systems running side by side for a period post the 'Go Live' date i.e. the implementation date for the business. However, a clear and effective cut-off is more usual now i.e. stop processing in one system and then process new transactions directly into the new system.

**When it comes to setting a 'Go live' date i.e. when the new system can be used by the business, our suggestions are as follows:**

- 1 Use the **financial year-end** as the natural implementation date, as this provides adequate planning time and also matches with the business starting a new financial year
- 2 Alternatively, you could use the **quarter-end or a half year point**, in the financial year, as the roll-out date. However, you must ensure that this date also matches with the end of a VAT period

Sakura have identified two online accountancy software platforms as being 'best fit' for their clients, and these are Xero and QuickBooks.

## WHY XERO?

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### 1 Who are they ?

New Zealand based software business, originally successful in New Zealand/Australia but now significantly invested in development of the software for the UK marketplace from a base in Milton Keynes.

### 2 User suitability

Xero has been designed primarily to be highly user friendly for use by non-accountants. A large development team enables continuous updates to the software with 'new' features in response to user requests and to take advantage of widely used business apps.

### 3 Software options and pricing

Xero has three business options, but only two are relevant for most SMEs i.e. Standard and Premium, with the main functionality differences being multi-currency and (basic) stock control. All are monthly subscriptions and priced at £22.00 and £27.50 (plus VAT) respectively (although Sakura can offer reduced monthly pricing options via our packages)

### 4 User training and ongoing support

Xero offer UK telephone and email support, along with a non-UK email support team outside office hours. Additionally, they have a very extensive online help centre and video training resources for all users. **However, Sakura will provide clients with initial training and annual support on all aspects of Xero**

### 5 Integration opportunities

Xero connects with multiple business apps used by small and medium-sized businesses, and also provides some flexibility to import data directly into the software via .csv files.

# WHY QUICKBOOKS?

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## Who are they ?

US based software conglomerate, originally successful with desktop based accountancy software, but now focused on penetrating the online marketplace with Quickbooks Online. Very significant investment in the UK and Irish marketplace with a base in Victoria.

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## User suitability

Quickbooks has been completely redesigned as an online software product and therefore is unrecognisable from the desktop version. Although quite user friendly for non-accountants, it has a slightly more traditional accountancy software structure

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## Software options and pricing

Quickbooks has two business options i.e. Essentials and Plus, with the main functionality differences being users, purchase orders and stock control. Both are monthly subscriptions and priced at £15.00 and £25.00 (plus VAT) respectively (although Sakura can offer reduced monthly pricing options via our packages).

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## User training and ongoing support

Quickbooks offer UK telephone and email support, as well as an improving suite of training guides and videos to get users started. **However, Sakura will provide clients with initial training and annual support on all aspects of Quickbooks Online.**

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## Integration opportunities

Quickbooks connects with multiple business apps used by small and medium sized businesses.



# So why use Sakura to manage the implementation of your project?

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- 1 **Fail to plan, then plan to fail!** – we like to carefully plan our projects, taking into account the existing business and processes while also considering time saving improvements that can be made at the same time
- 2 **System knowledge** – we have focused on the most widely used and flexible systems in the marketplace, and have invested in training and building up knowledge within the team from projects that we have managed to date
- 3 **Configuration and setup** – we ensure that the setup of the new system is complete and provides the flexibility required for the business
- 4 **Integration with other software** – planning for and setting up integrations with existing CRM, payment or invoicing platforms (whether directly or using third party software) is time consuming and difficult to deliver, without the right research and experience of successfully delivering a variety of client projects
- 5 **Starting with the right opening figures** – without ensuring that the opening figures in the new system are one hundred percent accurate, any reports from the new online system will be inaccurate and reduce the immediate benefits of the project
- 6 **Training** – changing the platform that the business relies upon can be challenging, however, we have accredited staff who can provide initial training to get you started and ongoing support to keep you on track





# What does a successful migration process involve?

## STEP 1:

- Planning and/or selecting the most appropriate system for your business e.g. considering integration opportunities, reporting requirements, user experience and costs
- Creating an 'action list' with tasks, responsibilities and deadlines in order to meet the 'Go Live' date

## STEP 2:

- Reviewing key areas of integration with PAYPAL, Ebay, CRM system etc. e.g. identify what data **MUST** be included in the accounts system, investigate if the data can be imported on an automatic basis or through use of third party software and consider the costs involved and ease of setup
- Configuration and setup of the accounts system for the business e.g. input of company data, document format setup e.g. for invoices/credit notes and statement formats;
- cleansing and import of existing customer and supplier information, import of initial balances from the existing system e.g. outstanding invoices/payments on account/credit notes for each customer/supplier
- Setup and configuration of integrations and thorough testing of each prior to the 'Go live' date
- Confirming the timeframes for delivery of the new system and any initial limitations with the business and manage expectations. For example it typically takes a week or two to finalise figures in the old system before they can be brought across as the opening figures in the new system, so reporting will be limited at the initial stages
- Management of the 'Go live' date, including training of business staff, supervising staff in initial stages of use and 'trouble shooting' issues that will arise in the initial stages of operation

## STEP 3:

- Dealing with all of the post 'Go live' issues, such as finalising the new management reporting with data in the system, etc.

# WHAT'S NEXT

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Once you have decided to take the next step and become a client, we ensure that the process is as simple as possible:

- We obtain completed and/or signed copies of our letter of engagement, new client information sheet and accountant transfer letter
- We will obtain confirmation of the identity of each officer and/or shareholder from you e.g. copy passport and recent utility bill/bank statement'
- We will forward a welcome pack with information about Sakura and what to expect from us as one of our clients
- We 'fast track' the transfer of company paperwork and information, online accounts access and HMRC agent status from your existing accountant, where necessary, to ensure you are 'up and running' as quickly as possible
- Assign you the details of your contact(s) in Sakura for routine 'day-to-day' liaison and guidance

## OTHER RELATED SERVICES

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- **Annual Compliance Services**
- **Bookkeeping Service**
- **Financial Performance Services**

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