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Choosing the right Practice Management Software for Accountants

Practice management software for accountants

If you are looking for new Practice Management software, you have perhaps already drawn up a list of requirements and wishes. Good start. It is a good idea whilst embarking on this process to consider the elementary steps involved in the selection process.

To this end we have created this guide to making the right selection and added a very handy checklist to take the guesswork out of choosing your next practice management solution.

To compliment the orientation phase and to ensure you have asked yourself the right questions, we highly recommend consulting the checklist at the end of this e-book.

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The orientation phase

In the orientation phase you will delve into the Practice Management software market as you prepare an overview of needs, considerations, knockout criteria and themes that play a role in your choice.

When you start the onerous process of looking for new Practice Management software, you can quickly find yourself in a dizzying tailspin. To pick through the pages of features and solutions and problem destroying tools is to invite jaded confusion.

The easy first step in avoiding this is to start with your need and ignore the features.

No solution is the same and every software suite has its own features, modules, expansion options and associated costs and rates.

Now to makes things really straightforward for you, all features are conveniently named differently at every provider. Because of course they are. So with all the marketing buzzwords circling your head, how do you ensure that you are getting what you need?

How do you ensure that you do not fall into the trap that your choice is determined by the best sales pitch or shiny mirrors and colourful beads? Keep the following in mind during your search.

Needs drive decisions

We all want the world when we make a new purchase and something with the magnitude of Practice Management requires an exacting eye.

You may need to come to the conclusion however that, much to the chagrin of the Principle, not everything can be done. However professional your chosen solution is, there will be inevitable moments where certain functionality cannot be implemented for various reasons. Come to peace with this. It becomes a battle of the best solution, not the magic bullet solution.

Ask yourself and write down:

- What improvements and innovations are needing to implement in your firm?
- What problems need to be solved?
- Which processes would provide the most customer value as a result of digitisation?
- In what context should the new software start working?
- Which developments inside and outside your office, existing systems and processes are factors that you want to include?

If you write down the answers to these questions and keep them handy during meetings, you can refer back to this after every single discussion you have with providers.

This may sound elementary, but a good majority of people fail to keep a genuinely strict and constantly referenced criteria – allowing distractions to incrementally creep in.

Keep it on task

This leads us into an important point – Throughout the entire buying process ignore everything other than that which is simple, coherent and logical.

What often happens during a search for software is that while searching, people discover more and more possibilities, want more and more and lose sight of the original question.

Bells and whistles will be dangled over your nose and new amazing possibilities will be touted as must haves. It will serve you well to ignore this and keep it on task. This is why your succinct list of needs is so sacred.

This adherence to simplicity and purpose will make sure the project stays unwaveringly on task and will insulate you from being led astray by sales staff and sold features you don't need for problems you don't have. This is very common and causes large time-consuming projects which go way out of scope.

Again it is worth coming back to the idea of customer improvements and cashflow – what will really support my clients and help me provide a better service?

Knock out criteria

By now you should have a shortlist of needs and have actively pushed away all temptations and distractions that take away the simple aim of the project. Now to perform the inverse task and decide what will be the nail in the coffin for prospective solutions.

Create a simple list of knock out criteria or deal breakers to compliment your needs list. These may be:

- Budgetary concerns
- Lack of integration with key systems
- Perceived lack of product support
- Lack of key customer base
- Insufficient lineup with needs list
- Lacking vital functionality
- Lack of future roadmap

The selection phase

The selection phase provides you with a long-list of possible solution and suppliers which seem to match your requirements. This is where we start to whittle down the contenders.

The long list

Once you have created your clean lists of needs and deal breakers you can start the process of searching for your possible suppliers and matching them up. It is wise to leave this until now, lest you get distracted as your criteria has not yet been firmly established.

This is a rather simple affair with the possibilities of Google research, yet be aware that the topmost paid Google ad will not necessarily be the better fit. Try looking wider by canvasing your network and industry contacts. Ask around. Have a look at the most respected peers in your industry – what do they use? Start there.

Cast your net a bit wider here with the knowledge that full scrutiny against your criteria will come next – so just make sure your criteria seems basically satisfied and add them to your list.

From longlist to shortlist

This phase will often entail meetings and phone calls with BDM's and technical staff from your long list to hear a proposal on a solution – It is here that distractions and sales discussions about unnecessary functionality come into play. Stay on task and stay on guard with your criteria lists being treated as gospel.

With the knock-out criteria that you were able to prepare during your orientation phase, you can now more brutally separate the wheat from the chaff. So start cross checking that functionality. Through this process of elimination you will arrive at a short-list of solutions and suppliers that are worth considering for the improvement of your business operations.

If a solution does not meet one or more of the knock-out criteria, it should not continue to the next round. Get iron fisted.

For example, a knockout criterion may be the availability of an integration link with your Practice Management software. Or perhaps the presence of an easily accessible help desk.

Some people keep 'eliminated' Practice Management solutions in their list because they have an emotional connection to the brand or see that they do other tasks very well.

Do not be tempted – if they fail just one of your criteria they are out of contention immediately. That's why we have a needs list not a wants list.

From shortlist to choice

When selecting the best solution, you need to test the possibilities of the software against your requirements and wishes. What's a good approach to this?

You approach this in a structured way by working with a scoring matrix.

This can be a simple excel sheet of criteria (needs and deal breakers plus additional bonus points) matched against a list of supplier functionality and features.

You simply need to give the solutions a score on each requirement. Some requirements are probably more important in your choice than others. That is why you apply a personalised weighting factor: from 1 for less important cases to 5 for the most important requirements.

With this structured approach you ensure that you assess all solutions in the same way and that you are not distracted by side issues.

The Choice is Obvious

Well there you go – what do you have now in front of you? A range of scores plotted against your shortlist of solutions, features and software providers. Tally up that score.

The winner should be now be very clear. Now for implementation.

Orientation phase checklist

The checklist below contains 49 points of interest and questions to help you with your orientation phase and the preparation of a complete program of requirements for the selection of software that best suits your firm and business activities

Goals

1. What goals do you have for introducing new software? Are you concerned with saving time, better overview, insights based on data, increasing productivity, compliance, streamlining processes or saving costs? It is good to set and quantify those goals in advance. In this way you can keep track of whether these improvement goals are achieved after implementation.
2. What is the investment that you are willing to make to achieve the goals? And what is your intended “return on investment”?

Functionality and use

3. Prior to your search, it is important to determine what functionality you need. This starts with an even more important question: for which business processes and challenges should the software improve your current situation?

4. What are the problems with your current software? Which functionality do you miss, and should you improve?
5. Also take a critical look at the functionality in your current software that you actually do not use at all (and for which you do pay). And does all the required functionality have to be in one package? Or are there also functions that you might be able to perform better in another tool. Many large ERP packages, for example, offer the possibility of sending e-mailings. But there is also specialised linkable software that does much better and more pleasantly than e.g. Mailchimp.
6. What kind of accountant software best fits your needs? Best-of-breed, classic ERP, or modern all-in-one?
7. Think about how, where and when your employees will use the software. Do they also work at home, are they often on the road? In that case, use on mobile and tablet must be included in your schedule of requirements and "cloud-based" is an absolute requirement.
8. Be critical and don't be tempted by a trendy front. Sometimes a new software solution is exactly the same as what you are already working with, only in a hipper jacket.
9. Ask for a roadmap that the supplier has for new and improved functionality. Sometimes a tool may not be exactly what you are looking for, but your wishes are already in the planning. The presence of a roadmap also shows that a supplier is constantly working on improvement. A good sign.
10. Ask what the plans are and how often new functionality is introduced?
11. Ask the suppliers for cancellations. The percentage of users who cancel per month or year is a good indicator of user satisfaction and the quality of the software.
12. Finally, about functionality: every accounting firm is unique, so it is nice if your Practice Management software fits in well with business operations. Therefore, take a good look at whether the vision behind the software matches the processes within your firm.

Market knowledge

13. How well does the software supplier know the accounting industry, the specific challenges and the landscape you are in?

14. Does the software have other users in your industry? Request references and call them up.
15. When contacting a supplier, are people interested in your specific questions? Does the employee then speak your language?

Technology and maintenance

16. If possible, also look at the modernity of the back end. If obsolete technology is used, sooner or later the supplier will get stuck and have to make major changes. This is at the expense of the time and manpower that should be focused on improving and developing functionality.
17. Is the software easily linkable via an API or application program interface that is solid, well maintained and well documented?
18. How often do updates occur and how quickly are bugs are resolved?
19. The number of programmers employed by the supplier is a good indicator of the attention that is being paid to constant improvement and renewal of the software.
20. Test or examine speed and scalability of the software. An empty test environment with few test users usually works fine, but what if 80 employees work at the same time and the amount of data is large?
21. When considering Cloud based software, what is the “up-time” of the software? To what extent does planned and unplanned maintenance make the software and data unavailable? This can impact clients negatively.

Security, rights and privacy

22. Ask how a supplier meets privacy requirements that you have identified and find out how they will help your firm meet them.
23. How can users’ rights be regulated? How can access to functions and data be set for each employee or group of employees?
24. How is the software and data protected against infringement or overload by external attacks?
25. Is the software environment and your data physically separated from that of other users?

26. How often are data backups made?
27. In case of Cloud based software, where are the servers on which software and data are hosted?
28. And is access to those servers protected by, for example, secure VPN connections and multi-factor authorisation?

Implementation and integration

29. What needs to happen to get from your old to your new situation? Which data must be transferred? How do the various software solutions provide options for importing and exporting data?
30. Can the intended processes be automated in the new software? And can you also secure or improve the processes that you have recorded in your current solution or automated in the new software?
31. The new Practice Management software will not be the only software that you use in your firm. And often you also need information (for example CRM data) from one solution in other systems. So, look not only at the automation within the new software itself, but also at the automation possibilities and process improvements that a connection of the new software with your other systems can offer. To make connections of this kind, software suppliers offer prepared links that you can easily set up yourself or with some help.
32. For other integrations, programmers can build links between the new software and other tools themselves based on API. Ask carefully which data can and cannot be sent back and forth via that API.
33. Ask suppliers for an estimate time and steps required for technical implementation. And the support that they offer.

Training, onboarding, support and user-friendliness

34. Ease of use, logic and coherence in software ensure that software is learned and embraced quickly. Therefore, look what your impression of the software is at first glance. Does it look intuitive and comes across as an environment where you will quickly feel at home? That first impression is predictive. But “the proof of the pudding is in the eating.” Request the supplier to give you a live demo.

35. How much training and time is needed for new users to become familiar? Ask about this and see if you can find other companies that have previously made the switch and want to share their experiences.
36. Does the supplier offer support with implementation in the form of onboarding, training and support? And at what costs and investment in time?
37. Are there advanced user training courses that explain how you can take the next step and get more out of the software?
38. Does the supplier have a competent support department that can not only answer software questions, but can also relate to your business operations?
39. What is the accessibility of the support department? Through which means of communication can it be accessed and at what times?
40. What is the response time for support questions?

Business case & solution cost

41. Consider the cost of expanding – is the solution scalable?
42. Is the solution comprehensive, or does it require an organisation to upgrade to obtain more than the basic functionality?
43. Does the solution include best-of-class features and a complete range of modules that can be used throughout the organisation? Think: accounting and financial management, reporting for practice insights, workflows, time recording, access in the cloud, provide virtual assistance and cloud client data collection?
44. To reduce ongoing training costs, look for a common and easy to understand look-and-feel of the user interface which also has a streamlined and simplified work process.
45. Aim for minimising your implementation costs and time spent to deliver a faster Return on Investment (ROI).
46. Look for configurable software that adapts to the firm without requiring too much custom development and months of professional services.
47. Know your administrative/maintenance costs, the system should include simple and comprehensive administration tools to make it easier to update and maintain without a huge IT staff or with minimal third-party support.

48. Consider the operational, IT and financial risks. Some operational risks to consider include low user adoption due to software that is complicated to use and low reliability/continuity of operations. IT risks could be that the software is not adaptable to new business requirements or technology requirements and avoid unnecessary financial risk if a comprehensive solution is not price point geared towards the size of the firm.

49. Finally, use all the information you have collected to determine to total cost of ownership for the various Practice Management solutions you consider.

Help with selecting, choosing and implementing

We have created this checklist to help you with your selection process and ensure the right questions are being asked. You may need help with the entire process of orientation, selection and picking. Perhaps you are just looking for advice on how to take your existing firm operations into account during your considerations. We are happy to help, provide advice and guide your firm to transition to a new Practice Management software that better suits your needs.

About APS

APS is a division of Reckon, an ASX listed company. We develop the software used by the best accounting firms in Australia and New Zealand to run their business' and advise their clients.

For professional accountants these solutions include tax and accounts production. It also delivers a wide range of complementary applications for practice management.

Ready to adopt a new Practice Management software solution?

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