10 Accounting Practices Heading the Way of the Dinosaur
In today’s digital economy there is no more business as usual, regardless of the department or industry you’re in. Mobile devices, social media, cloud computing and the internet of things are all accelerating the pace of business and forcing fundamental changes in how companies compete and operate. For finance, a department that is often accused of being stuck in ‘business as usual’ patterns, it’s time to take a long, close look at your current accounting processes and say goodbye to anything that doesn’t support scalable growth, social collaboration, mobile or customer service. Because if you don’t, you’ll soon find yourself left behind in the digital economy’s dust. So, ask yourself: Are your systems moving too slow? Are you regularly re-keying data into yet another spreadsheet? Can everyone on your team deliver a one call resolution on say, a billing question? Is your department adding value and keeping up with the pace of the business?

We’ve compiled this list of the top 10 accounting practices heading the way of the dinosaur (finally) because they simply present far too many risks for your business.
1. **Bye bye bookkeeping apps**

Entry level bookkeeping apps (e.g. QuickBooks) can be great starter systems, but if you have plans for growth, they just don’t cut it. As your company grows, transaction volumes climb, the organization gets more complex, controls become more important and reporting becomes more critical, making entry level bookkeeping systems unbearable to manage. Don’t hold on to bookkeeping systems too long. Moving to a full blown cloud accounting system with automation, workflow, and unified reporting is the only answer.

2. **Spreadsheet overload (and rage)**

Yes, spreadsheets have their place, but you are most likely using and/or relying on too many of them. They are error prone, time-sucking, and hard to manage - all things that do no favors for you, your business or your auditor. When used sparingly, they can be an asset, but when you rely on them too much they are giant liabilities. If this is an issue then ask yourself - is it time for a cloud accounting system with proper controls, a single database, online dashboarding/reporting features, and the ability to create your own formulas in fields in a controlled database?
You don’t have CRM integration?

Are you entering the same data in multiple locations? Do you have more than one customer master record to maintain? Can you generate invoices accurately without a lot of manual labor? Can a salesperson answer a customer billing or receivables question? Does finance know what deals are coming down the pipe? It’s time to get your CRM and accounting system integrated and when you do you’ll kick yourself for not doing it earlier. Just think of an accounting system where you create accurate invoices in a single click, have only one customer master record to manage, and get real-time access to all the customer information that matters - whether you’re in sales, finance, or service delivery.

Email is not a collaboration tool

Has email become your filing system and turned into a crude backup for your audit working papers? How much time do you spend searching for email in your archives to explain what happened 6 months ago? It’s time to embrace enterprise social media across your organization. You’ll get your teams talking, sharing, and tracking important info in real-time about your customers, transactions or accounts while maintaining an integral audit trail of the conversations alongside the actual data. Using social apps like Chatter enable you to track conversations on data objects, bringing new levels of collaboration and auditability.
Limited mobile access won’t cut it

If your accounting systems is not mobile enabled, it will be soon be hanging out with T-rex. These days, access is everything and checking email on your phone is not enough. You need the ability to work from anywhere. With mobile apps you can monitor performance data and approve documents on the go and empower your staff to answer critical questions even from their kid’s baseball game.

Lacking an ERP strategy will cost you

Is accounting an isolated function? Can it hook into things like CRM, HR and operations? These days it’s never been more important to have your apps sync, grow, and work together to drive business value. You need comprehensive views into the “whole account”, across multiple departments to answer real-time questions, know the context of those questions, and make smarter decisions. With cloud ERP you can start with a single app (e.g. accounting) and grow over time on a single cloud platform into other areas that make the most sense, e.g. HR, payroll, billing, or supply chain.
Collections is a team sport - don’t tolerate high DSO

Are your DSO metrics high because upstream process issues are causing downstream collection issues? Maybe your opportunity to cash process is too manual, causing “time to invoice” and invoice accuracy to suffer. Or have you taken a 20th century approach and made collections the sole responsibility of finance? Regardless of the cause, poor cash flow is unsustainable. When you have a modern accounting system with a streamlined opp to cash processes in place, you can invoice more quickly and accurately. And if you implement integrated CRM and ERP apps, you can empower all customer facing staff - sales, customer service, delivery teams - to help with the collections process because they will have visibility to outstanding invoices. This allows you to leverage the people with the best customer relationships to collect cash. Everyone should be in collections - not just finance.
Is that really a binder?

Creating, maintaining and storing financial records can be one of the most unrewarding tasks in a finance department. Documents (even emails) are printed, put in a binder and filed onto a shelf, not to be touched again - until it’s audit time or when there is a dispute. It’s a time-consuming, paper-intensive wasteland. In the digital age, you can store electronic copies of documents, spreadsheet working papers and social media conversations alongside your accounting transactions, accounts and reports - and have it available online 24x7. You can tag your back up information directly to the data rather than looking for it on a shelf or on someone’s hard drive. No more hunting high and low to find an explanation of why a particular decision was made or a transaction approved.
Period close blues

What is your life like during a period close? If your answer sounds something like “late nights, time away from the family, work on weekends and cold pizza” then you need a better accounting solution. While you can’t eliminate all of the work to close a period, you should be able to eliminate or automate many mind numbing duties like reconciliations, account synchronizations, chasing people to complete tasks via email or waiting for someone to update a sea of spreadsheets. With a modern cloud accounting system in place, you can store all your financial data in a single, real time system that doesn’t require grueling reconciliations between modules. You can view a period close dashboard online and monitor all the tasks and workflows necessary to close the books across your entire company. You manage the close, the close does not manage you.

Ignoring transaction costs

The cost of acquiring or selling items involves more than the sales price of the item. Transaction costs can sometimes add up to more than the cost of the item itself, especially on small value transactions. If there are errors along the way, re-working and dealing with upset customers and vendors can compound transactions costs, eating into narrow margins. A modern cloud accounting system can automate and streamline processes to dramatically reduce transaction costs by getting the transaction right the first time and eliminating manual steps along the way. Protect your margins and keep your administrative costs lower by investing in modern automation.
It’s time to stop suffering in silence or let lethargy get the best of you. Inefficient, old school accounting systems can hold your business and even your career back. These days, there are modern, simple yet powerful technologies that can streamline every component of your finance department and improve your life!

Upgrading to a cloud-based accounting system will allow you to go well beyond basic bookkeeping and transaction processing. You will be able to boost efficiencies, eliminate manual repetitive tasks, shorten the period close, save money, and know in real-time, at all times, what’s going on with cash flow, sales, billing, etc. Meanwhile billing and receivables are accelerated, and management gets the information they need, when they need it, so they can make the important decisions that will move the company forward. Cloud accounting helps grow profitability, not hinder it.

So what are you waiting for? Take the first step toward optimizing your accounting process today by visiting: www.financialforce.com/accounting or calling 1-866-743-2220.
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