sage 50 Accounting

Get out of the shoebox with Sage 50

Accountability? Absolutely.

Owning a small business can offer many rewards, but having to do accounting wouldn't be especially high on the typical business owner's list of joyful activities.

But fun or not, there's no way around it: No business can get by without an accounting system of some kind.

After all, as a business owner you might have to be accountable to investors. Or to lenders. Certainly to the government. And especially to yourself. Providing stakeholders with an understanding of how the business is doing, well that's just plain vital.

This is the modern world.

So here we are—accounting isn't exactly a thrill, but you need a system. For some startup owners, the good old-fashioned paper ledger or computer spreadsheet system seems adequate. Just take your shoeboxes crammed with receipts and invoices and enter the numbers they signify in multiple locations . . . then do some calculations . . . then erase and fix the mistakes . . . then get exasperated because it takes forever and you have other pressing concerns like going out and generating all-important sales!

Let's break it down: Paper and spreadsheet accounting systems are pretty much obsolete. They've been replaced, just like payphones and buggy whips. The modern world now relies on automated accounting systems and with good reasons. Like speed, efficiency, accuracy, awareness, analytics, and confidence.

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Speed

It's easy to see why using accounting software is faster. For one thing, you only have to enter a data point— such as a price, a serial number, discount level, or address once—to have it available for use throughout your accounting system.

And, because software allows you to set up an automatic recurring journal entry to ensure that adjustments get made on a regular basis, recurring payments and receipts can become set-it-and-forget-it processes. For example, you can set up recurring customer invoices to bill your customers the same amount on designated dates every 14 days. The same thing goes for recurring payments that are due each month, like rent. In fact, almost every business process happens faster using your computer.

Efficiency

And speaking of errors, how's this for being efficient: Accounting software has built-in and customizable error checking capacities. That means you can set up automatic defaults, limits, and warnings.

That means not accidentally using an invoice number more than once. It means you can be alerted when a customer is going over her credit limit or a transaction looks suspicious. Or it might mean you get advance warning when inventory is running low so you can order more and stay ahead of demand.

Accuracy

You see, one of the best things about accounting software is that it understands more about accounting than the average business owner. It has important accounting rules designed right in and tells you where data needs to go and what taxes you owe. It records every transaction automatically in a master record called a general ledger.

Software makes it easy to do things right, even if you don't know much about accounting. Because accounting software guides you by the rules, you end up having fewer mistakes to correct, and that saves time, too.

> *You end up making fewer mistakes and fewer corrections, and that saves time, too.*

Awareness

Now back to that general ledger. A good way to look at it is as a scorecard for your business. It tells you if you're making money and managing your assets wisely. It can help you monitor profitability and keep an eye on your expenses—and the information is available when you want it in the form of financial statements.

Let's repeat that: With just a few clicks on your keyboard the information you need is organized and on your computer screen in seconds.

Analysis

Of course, information is even more useful and valuable when you can use it to improve your business. That's a huge advantage of accounting software. It helps open a business owner's eyes to the things that aren't going as planned, the customers, products, and services that are the most profitable, and the salespeople who are bringing in the best sales.

That in turn opens up opportunities to correct mistakes, refine best practices, and build on successes. Information, presented in new ways, is the basis for forming new insights, ideas, and innovations. In other words, accounting software makes it easier to pinpoint ways to make more money.

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Confidence

Now really, no one goes into business because they love accounting. On the other hand, successful business owners learn to harness the power of faster and more efficient accounting tools. At tax time they trust the numbers they give their accountants. They trust their software to watch for problems. They trust their numbers to help them truly understand their business and find ways to get better business results.

Best of all, they find that accounting software gives them added hours each week to devote to finding prospects and customers and drumming up sales.

Don't settle

Today's businesses can't afford to settle for inefficient tools that don't give them complete information. Few owners have time to waste piecing transactions together or struggling to find the right address. They can't keep up with all of the rules, rates, and paperwork. They need a solution that fits their business today, with plenty of room to meet their needs tomorrow.

For a small business owner, the decision should be obvious: When you compare the cost of wasting time and making bad decisions with the cost of automating your accounting, you can't afford to run your business without a powerful accounting software solution.

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