

Back

Working with QuickBooks

Making the most of the dominant accounting program can build both your business and your client relationships

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"Flying by the seat of your pants," is not a phrase that should refer to how one runs their business. Unfortunately, it seems to describe all too many companies.

The good news is that the 4.5 million QuickBooks users and their accountants can take steps to work more efficiently with QuickBooks to get a solid grasp of a business' financial health.

"With so many small businesses using QuickBooks, most CPAs are having to deal with inaccurate, incomplete or inconsistent data they get from their clients," said Doug Sleeter, founder of The Sleeter Group, a large QuickBooks consultant. "That presents all sorts of problems. Obviously, it's hard to prepare a tax return from bad data, so a lot of CPAs find themselves in the business of cleaning up the QuickBooks data files from their clients. The core of the problem is that the clients were never really properly trained on how to put data in [QuickBooks]."

There are several ways that CPAs and their clients can work better with QuickBooks, including a regular review of client data and utilizing remote access tools, but, as Sleeter indicated, having the correct set-up and training from the beginning ensures that users get off on the right foot.

There are many training options, whether it be finding a small classroom environment at a local college or signing up for a virtual training course. But Joe Woodard, president of The Woodard Consulting Group, is a big proponent of one-on-one training in a client's office. "The cost may be three times as high, but the value is 10 times as high," he said.

However, if a client does opt for training at a local college, Woodard advises selecting a hands-on course that uses a textbook and has homework and case studies.

"Invest in some professional guidance and get set up and going properly," said Scott Gregory, president of Ohio-based Bottom Line Accounting Solutions, who noted that hiring qualified staff to enter data into QuickBooks is also important.

Regularly reviewing a client's data is critical. You don't want to find out at the end of the year that a significant mistake has been made and it could have been resolved had it been caught earlier on. To help avoid such issues, experts recommend that an accounting professional be involved on a regular basis and review data files at least quarterly, if not monthly or weekly.

REMOTE AND HOSTED CONTROL

Perhaps the easiest and most efficient way to stay involved in the client's data and to resolve any QuickBooks questions or issues that may arise is to take advantage of remote access tools, such as GoToMyPC, QuickBooks Remote Access, or to use a QuickBooks hosting company to host the client's data in the "cloud." Taking advantage of remote access tools and logging into a client's desktop enables accounting professionals to review client data or resolve issues within QuickBooks, eliminating the time wasted driving to and from a client's office.

"Remote access allows you to log in and work in their data file," explained Michelle L. Long, owner of Long for Success, a consulting firm that specializes in QuickBooks consulting. "There are so many benefits to it."

Furthermore, if QuickBooks is used in a hosted environment, as opposed to being on a client's desktop, there's even greater flexibility to access data from anywhere, at any time.

Align, which is a division of regional CPA firm Blue & Co., is benefiting from Right Networks as the exclusive provider of hosted QuickBooks, according to Sara Jacobi, CPA, a senior manager for Align. Align was founded a little over a year ago as an outsourced small-business accounting solution for clients.

"Right Networks allows both our staff and our client's staff access to the QuickBooks files any time, any place. We have designed our Web site so that our clients come directly and log into Right Networks to access their QuickBooks files. Utilizing Right Networks to host our client's QuickBooks files gives us a competitive advantage by allowing us to share tasks with their accounting personnel. For example, if the client wants to retain the responsibility for invoicing their clients, but outsource the remainder of the bookkeeping function, we can very easily do that because we each have 24/7 access to the same live data," explained Jacobi. "We also work with a number of clients where the owners are away from the office frequently, traveling to run their business. By having remote access to their QuickBooks files, they can log in from anywhere in the world and keep tabs on the day-to-day operations of their business."

Another entity that is utilizing Right Networks to host its QuickBooks system is the Diocese of Bridgeport, Conn., which, with the help of Mary Miller, CPA, a consultant and University of New Haven accounting professor, came up with the idea of outsourcing its accounting systems to an application service provider. It was introduced to Right Networks in March 2007 and, after several months of reconfiguring the use of its QuickBooks accounting via a new chart of accounts, began converting its parishes to the new Web-hosted platform by June 2007. All 87 conversions were completed by early January 2008, explained Deacon William Koniers, director of parish finance services for the diocese.

"In the past, and prior to our parish and school conversions, it might have required months before the Chancery office was able to view each parish's or school's financial results. There was much downloading of data from diskettes or e-mail and the stitching together of reports," said Koniers. "Now with our platform and the use of newly programmed not-for-profit reports by the Right Networks folks, parish information can be downloaded individually, or in a consolidated format, by the PFS office instantly."

"When you turn the corner on the problem, you discover that unless you gain easier access to the data, you'll never solve the problem and it is going to continue to be expensive," Sleeter said.

CATCHING CLIENT MISTAKES

Having greater access to a client's data can help catch and resolve client mistakes, some of which may be more costly than others.

"Accountants work with so many different clients, but almost all clients make mistakes that are very, very common," acknowledged Victoria Dolginsky, QuickBooks Accountant Edition product manager at parent Intuit.

According to Dolginsky, there are about 4.5 million businesses using QuickBooks and about 97,000 accounting firms that work with small businesses and help them with QuickBooks.

Some common mistakes include, but are not limited to: numerous old accounts, customers, vendors or items within lists; a growing balance in undeposited funds; payments that are not applied to invoices; unapplied vendor credits; and incorrect or inconsistent inventory procedures.

One significant mistake that a client with inventory could make, noted Woodard, is to improperly merge inventory items. This will distort data and is irreversible.

Ruth Perryman, owner of consulting and training concern The QB Specialists, added, "I love Intuit, but QuickBooks is unfortunately marketed as a product that you can purchase and start using without any help whatsoever. Nothing could be farther from the truth. Even the most simple businesses struggle with crucial features like how to use undeposited funds and properly enter credit card transactions."

Perryman said that her company uses QuickBooks Enterprise Accountant's Edition 10 for its bookkeeping, along with Intuit Merchant Services, Billing Solutions, Check Solutions and Time Tracker, as well as the Intuit Online Payroll (formerly PayCycle).

NEW TOOLS

Looking to make QuickBooks even easier for accounting professionals in serving their clients, Intuit has developed many tools. Among the more popular is the Client Data Review tool. Client Data Review, which was introduced in 2009, with four new tools in 2010, helps accounting professionals be more productive when detecting and correcting client data errors. Features include a tool to quickly reclassify transactions, real-time data refresh as corrections are made to the client's data, and the ability to track changes to the QuickBooks lists, including added, deleted, merged or edited.

"I think there is a lot of [room for] improvement in the way CPAs and their clients work together with QuickBooks," said Mark Stricker, an Advanced Certified QuickBooks ProAdvisor at CPA firm BIK & Co. "I meet new business owners all the time who tell me that their accountant does not help them at all with QuickBooks. The CPAs allow their clients to struggle with it all year, and then they are too busy to help them fix it come tax time."

BE SMALL BUT PLAY BIG

The QuickBooks consulting market is poised for growth, but there's no doubt that the market isn't what it used to be. Today, in order to grow a consulting business, consultants must be willing to change with the times and be well-versed in third-party add-ons, find ways to differentiate from the competition and be masters of networking.

"What's happened is the idea of being a full-time QuickBooks consultant doesn't exist. Now it is more QuickBooks consulting plus something," said Gregory of Bottom Line Accounting Solutions. "A lot of consultants are getting into the add-on market. That is how I see a lot consultants growing their business."

Since the launch of the first QuickBooks software development kit for third-party developers in conjunction with the release of QuickBooks 2002 products, the universe of third-party add-ons has caught on like wildfire. It is estimated that today there are more than 450 add-ons available. (For some of the most-recommended add-ons and applications, see page 26.)

Add-on products have become necessary to many small and midsized businesses as they provide businesses with the specific tools and functions they need.

Intuit Partner Platform director Alex Chriss noted that more recently, the company opened the doors to all developers and independent software vendors interested in building online applications on the platform. The IPP gives developers the opportunity to build Web-based applications, as well as Software-as-a-Service businesses, and to focus on developing on-demand software solutions that solve unique problems for the small and mid-market businesses using QuickBooks.

"What we are getting from the CPA market right now is that a lot of people are interested in learning how these add-ons work, because they can go in and actually make a fair amount of money implementing third-party add-ons," said Chris Farrell, vice president of sales and marketing for Virtual Software, an add-on for a Web-based time-and-expense reporting platform that seamlessly integrates with QuickBooks. Virtual Software even takes the power of paperless to a new level by seamlessly integrating with another add-on for document management - SmartVault.

"The CPA helps elevate the user from a system that worked pretty good to all of the sudden running a very, very efficient organization that has all of the advantages from a cost and productivity and employee morale [standpoint] that your larger enterprises have," said Farrell, who noted that Virtual Software has 40,000 people logging into the system every day. "Be small but play big. That's the big opportunity."

ADD-ONS AND INTEGRATION

Stricker of BIK & Co. agreed, and said that the latest role as a QuickBooks Pro Advisor is to recommend and implement third party add-on programs. One of his favorites is SmartVault.

"Since I've seen the value of having a system like this firsthand, I understand how valuable a system like this would be for our clients," said Stricker, who is a member of the SmartVault Affiliate Program. Benefits of the program include discounts on the software that can be passed on to clients, as well as a commission for referring SmartVault.

According to Eric Pulaski, chief executive and founder of SmartVault, there are about 150 members in the Affiliate Program.

Pulaski said that one of the benefits of using SmartVault is its ease of use. Not only can documents be accessed any time from anywhere via a Web browser, but SmartVault helps streamline workflow and increase productivity. In addition, SmartVault transforms QuickBooks into a paperless system that is simple to use and intuitive. An integrated SmartVault toolbar enables users to attach and view documents from more than 30 QuickBooks transactions. It also offers built-in organization of files and source documents. "We do document management and file sharing so it is a safe place where CPAs and clients can store documents and make it easy to share data," he said.

Meanwhile, document management solution provider Cabinet NG offers its CNG-Books. CNG-Books expands QuickBooks' productivity by integrating QuickBooks data entry with Cabinet NG's document filing process. CNG-Books unites QuickBooks transactions with the correct business documents to make filing, locating and sharing documents easier and secure.

"There's a growing number of QuickBooks consultants, and what helps differentiate one from another is how much value are they bringing to the client," said James True, vice president of business development for Cabinet NG.

Also integrating with QuickBooks is Tigerpaw Software, which offers an all-in-one business software system that integrates contact management, sales and marketing automation,



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service management, and inventory control. For QuickBooks users, Tigerpaw offers two-way integration that automatically enters invoices posted in Tigerpaw into QuickBooks. For QuickBooks Premiere and QuickBooks Pro (versions 1999 to 2010), data, such as accounts receivable, general ledger, payment and accounts payable data, can be sent from Tigerpaw to the accounting system.

Megan Hartman, corporate integrations project manager for Tigerpaw Software, estimates that about 50 percent of the 25,000 Tigerpaw users are using QuickBooks.

Looking to help accounting professionals who need an add-on, or need to recommend one, The Sleeter Group posts on its Web site a list of "Awesome Add-Ons." To compile the list, The Sleeter Group surveys products in several vertical markets where QuickBooks may not have all the needed features, or where clients want customized solutions.

Once an add-on has been selected, Sleeter recommended that the consultant first give it a test run with sample data. "Get a copy of the client's data file, get the add-on (usually they have 30-day trials) and connect them together in an offline testing environment. Test some transactions on both sides to see how the data synchronizes and make sure that all of the reports you care about are still working properly in QuickBooks," he said.

Phil Romine, vice president of research and development for QB hosting concern Right Networks, said that its hosting platform helps CPAs grow their consulting business because it breaks down the geographic barriers that can separate them from potential clients.

"Moving to a hosted desktop environment is a core direction that the industry is taking. What we've seen is that because of this ability to serve more customers and work on your own schedule, many of our CPA customers report that their business, over the course of having worked with us and having a hosted environment, has doubled or more in size in terms of the amount that they can bill and the number of clients that they have," he said.

Finding a specialization is not only a great way to grow a QuickBooks consulting business, but it also helps differentiate a consultant from their competition. For a consultant trying to find a niche, a good place to start is with their current client list. In reviewing the client list, a consultant could find that they have a lot of clients working in a specific industry, such as construction or real estate. Or a consultant may want to consider simply picking a specialization that they have experience in or genuinely enjoy.

"The best niches are the ones you enjoy being in the most. If you like coffee shops, hit retail and good luck to you. If you grew up in construction and something about dirt and concrete makes you happy, there is plenty of room for QuickBooks construction experts. The same goes with architecture, art or any other type of business that works on QuickBooks. If you're too ADD to focus on something, shoot for favorite geographical area (seriously)," suggested Shelly Robbins, president of The QuickSource Inc. Robbins is a QuickBooks training and troubleshooting expert who got her start as a bookkeeper with the first version of QuickBooks.

SOCIAL MEDIA

A good CRM system just might hold some gems for building your QuickBooks business. Every engagement is an opportunity to sell, and marketing within the current client base could prove to be a successful way to bolster a consulting business.

Partnering with a complementary business, such as an IT firm, could also represent an opportunity for growth, as it leverages the strengths of both the consultant and the partnering business.

Many experts believe that networking, including social networking, is a great way to grow a consulting business, and that its importance should not be underestimated.

"The No. 1 thing is to get involved in social networking and getting online," said Long of Long for Success.

"Social media is a huge opportunity. When I started my business 14 years ago, I had no hope of providing national and even international services without a massive marketing budget," said Perryman of The QB Specialists. "These days, anyone can get national exposure on Twitter or Facebook, and blogs offer an incredible opportunity to showcase your talent and experience."



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