



HOW TO COMPARE CLOUD ACCOUNTING SOFTWARE SOLUTIONS

TO SEE YOUR FINANCES
FROM A 40,000-FOOT VIEW



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THE PANDEMIC ACCELERATED digital transformation initiatives for many organizations, including the way they manage accounting. Business leaders had to adapt to a significant portion of their workforce operating remotely, and these individuals needed to access vital company data anywhere.

Reviewing data from disparate systems and spreadsheets was always frustrating, but these past few years proved just how unsustainable these methods were.

The cloud accounting software market is growing fast, expected to reach \$20.4 billion by 2026, according to Fortune Business Insights.

In today's mobile environment, cloud accounting software is essential to managing any growing business. It brings your essential financial data to your fingertips, making it easy to manage transactions, reporting, inventory and more. Unlike on-premise solutions that are expensive to maintain and update, cloud accounting solutions don't require a significant upfront capital investment.



Software technology marketplace G2 lists nearly 520 accounting software systems, ranging from those built for small businesses to enterprise-grade solutions.

Software-as-a-Service (SaaS) providers handle the maintenance, upgrades and security and typically include those costs in subscription fees.

With cloud technology, you also don't need to implement extensive security protocols to protect your data. If your company headquarters experiences a security breach or a natural disaster, your data will remain secure in your software provider's hosted data center.

While cloud accounting software is the obvious choice for an increasingly distributed workforce, it may be less clear which is the best accounting software for your organization's unique needs. That's because, on the surface, many business accounting software solutions appear to have similar features and functions.

Software technology marketplace **G2** lists nearly 520 accounting software systems, ranging from those built for small businesses to enterprise-grade solutions.

For a fast-growing business with **multiple entities**, it can be difficult to find the right fit. If you choose a solution that's too small, your company will quickly outgrow it. However, enterprise solutions often give you more than you need at a price tag that's much more than you can afford. They can take up to a year to implement with extensive training time. And they often come with hidden fees, including early cancellation fees once you realize the system isn't right for your organization.

Here's an overview of what's driving the adoption of cloud accounting software, a look at the overall landscape, and a guide to finding the best solution.



What's driving cloud accounting software adoption?



Whether they own multiple **franchises**, **family offices**, **healthcare clinics** or **other entities**, business owners and accounting executives need to see a high-level overview of the company's financial performance at a glance. They also need to be able to drill down to see each individual entity's performance, forecast sales and revenue trends, and identify opportunities for improvement in real-time.

Relying on spreadsheets and entry-level business accounting solutions is like trying to analyze the health of a vast forest while standing at the bottom of a single tree.

In the aftermath of the pandemic, research by **Deloitte** shows accounting leaders face several significant challenges, including:

Forecasting

Leaders must evaluate recovery and anticipated financial performance in an environment filled with lingering uncertainty and re-evaluating as conditions change.

68% of CFOs say they need real-time financial processes to prepare for the future, but only 16% have them in place. (Accenture)

Internal controls

As some locations closed, it became more difficult to rely on previous methods of conducting inventory and managing other internal reporting. And with a growing number of cyberattacks, managing secure remote access to critical financial information also created new concerns.

"A breakdown of review processes ... or a lack of reliable information may affect management's ability to effectively operate controls." (Deloitte)

Communicating with stakeholders

Many companies had unusual activities that impacted their finances in the pandemic, such as receiving government assistance or employee retention credits, or implementing new technology or protocol to support a safe environment. They had to use their discretion in how to report these activities and how stakeholders might perceive them.

Remote office

With more employees continuing to work remotely, company leaders need to carefully evaluate existing and planned expenses, such as real estate leases or expansion. To do this, they need full transparency into the costs and utilization of every location.

61% of corporate real estate leaders are pursuing consolidation strategies following the pandemic. (CBRE Future of the Office survey)



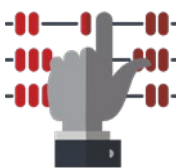
The cloud accounting software landscape

As CFOs grapple with these challenges, it has become clear that the organizations best equipped to navigate the future will be those that have real-time visibility into their financials and operations and can easily collaborate with team members, so stakeholders can act on it immediately.

This desire for actionable, **real-time reporting** is leading CFOs to explore cloud accounting software, but a quick look at the landscape shows wide disparities. Some solutions are sparsely developed, leaving CFOs searching for more. Others are overloaded with distracting features — the

equivalent of landing on the Las Vegas strip after a month of camping in the desert. Everything is so much more populated than you anticipated, and you don't know where to look.

For some companies, the most basic solution truly is the best fit, while others need the most advanced enterprise resource planning systems. However, many fall somewhere in the middle. They need the sophistication of an enterprise system without the high price tag. Here's a look at the landscape and how to find the best solution for your company.



Entry-level cloud accounting software

Entry-level cloud accounting software is ideal for entrepreneurs, small businesses, startups and nonprofits looking to manage core accounting functionality.

With pricing that starts at just \$20 a month, it's affordable for anyone and makes it easy to create invoices, manage expenses and create reports for tax purposes. Many of these solutions get high

marks for their fast implementation, ease of use and level of support.

However, they have significant limitations that may not become clear until your company experiences them firsthand. This most often happens when your company has expanded to include multiple entities or locations.



Most common challenges business leaders and CFOs experience when using an entry-level accounting solution

Inability to handle multi-company allocations

As your company grows, you'll have more transactions that need to occur between different locations or entities. For instance, if you receive a payment that needs to be distributed equally across 10 offices or locations, you'll likely have to enter each transaction in a separate database and update that location's ledger. While it's possible to manage intercompany transactions between multiple entities in some entry-level software systems, it's incredibly difficult and time-consuming.

Lack of data transparency and an incomplete audit trail

As you expand, the number of people who will need access to your accounting software also increases. Some users may need to see financial data for every entity, while others may only need to see information for their specific location. Strong user controls ensure everyone can access only the specific data and functions they need.

Maintaining a full audit trail is necessary to keep track of approvals for financial decisions, ensure accountability and prevent fraud. 51% of companies experience some type of fraud, according to a 2022 PwC survey. Unfortunately, many small business accounting software solutions don't offer a full summary of financial changes made by users, including dates and time stamps.

Limited reporting capabilities

To make the best business decisions, you need real-time visibility into the financial performance for all your companies. You need to be able to compare and consolidate each within a single screen so you can monitor performance at locations and see if any adjustments need to be made to maintain top quality. Instead of having all the data in one place, you need to track down "islands of information" from each entity at the end of each month to stay compliant and up to date.

Lack of automation

As your company grows, your accounting processes become more complex. You likely have multiple layers of approvals for purchases, bills that apply to all entities or individual locations and many vendors submitting invoices each month. Most small business accounting software doesn't make it easy to build automated workflows that are specific to your needs. For instance, can you easily notify managers when a purchase over \$500 requires approval? Can you automatically notify customers when their credit card is expiring soon, or when a bill is past due?

Lack of user controls

As you expand, the number of people who will need access to your accounting software also increases. However, not every user needs access to everything. Some users may need to see financial data for every entity, while others may only need to see information for their specific location. Strong user controls ensure everyone can access only the specific data and functions they need, reducing the risk of data breaches.



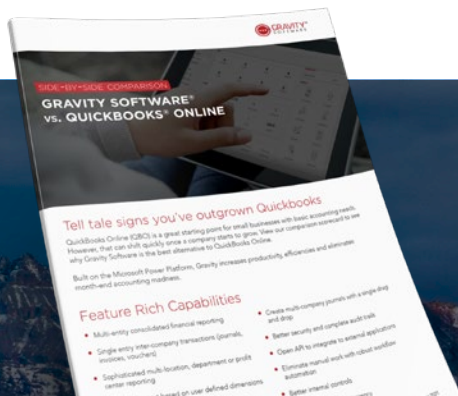
Accounting software for medium-sized businesses

While small business accounting software has clear limitations, there are some mid-market alternatives, including **Gravity Software®**.

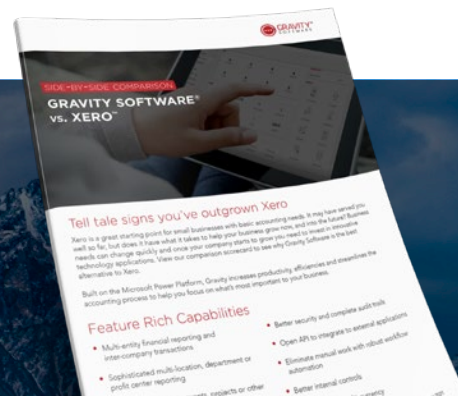
Gravity's accounting software is built for growing businesses with multiple entities and makes it easy to manage, track and consolidate financials

from a single database, enabling decision makers to drive better financial performance and increase efficiencies across entities.

Here's a closer look at how Gravity compares to two popular small business accounting software solutions, QuickBooks® and Xero™.



[VIEW QUICKBOOKS COMPARISON](#)



[VIEW XERO COMPARISON](#)



Cloud ERP software

At the other end of the cloud accounting software spectrum are expensive cloud ERP systems, including Sage Intacct, Oracle NetSuite and Microsoft Dynamics 365.

Traditional enterprise resource planning (ERP) software is an integrated system that combines accounting with other core business applications, including **inventory**, **customer relationship management**, supply chain management, HR,

manufacturing, professional services, and more. Because it's designed to be all-inclusive, it typically requires a significant investment and considerable planning to implement.

This makes it ideal for hospital systems, manufacturing companies and other large corporations looking to manage operational aspects of their business and not just the financials.



However, there can be significant disadvantages to complex ERPs, including:

Cost

The average cost of a large ERP software system is over \$9,000 per user, according to a [2022 analysis by Software Path](#). There are often unanticipated costs, which is why software resource company [ERP Focus](#) recommends adding a 10% contingency budget to your estimate.

Complexity

Moving to a cloud ERP system for your business accounting software is a significant transition that takes time. Your company will likely experience lost productivity as you adapt to new processes. That's assuming everything goes smoothly.

When ERP implementation fails, companies can experience [significant revenue loss](#). Unfortunately, nearly half of all large ERP projects fail the first time.

Long implementation time

While cloud ERP is less time-consuming to implement than on premise systems, it can still set you back several months to a year. This is understandable when you consider the amount of added functionality included with a full-scale ERP solution. However, if your business doesn't need some of that functionality, you'll experience a longer implementation time for features you won't ever use than you would for a solution that meets your needs out of the box.

Significant training required

Even if you're only responsible for training a few people, the complex nature of ERP software means there's a steep learning curve. It will take time and patience to navigate this with your team.

Lack of agility

Many cloud ERP software providers have a core package of standard features and charge additional fees if you need personalized workflows, dashboards or integrations with applications your company is already using. This could include something as simple as adding extra fields or changing forms.

Subscription fees typically include maintenance and upgrades, you may need to pay more for anything that goes beyond standard updates. The unexpected costs can be significant, and unfortunately, you probably won't realize you need to make these updates until after you're already using the system.



How to find the best cloud accounting software for mid-sized businesses

You know you've outgrown your small business accounting solution, but you don't have the budget or the buy-in for a ERP system that will replace the bulk of your existing business technologies. You shouldn't have to sacrifice functionality for affordability. That's why we've put together a video and a comprehensive checklist of factors to consider as you evaluate options.

[WATCH THE VIDEO](#)

Multi-entity expense tracking

As your company grows, your accounting processes become more complex. Often each entity has its own chart of accounts, customers, payroll and vendor lists on separate spreadsheets.

The best accounting software makes it easy to unify them all so you can distribute expenses between multiple entities with inter-company transactions, and run consolidated reports from a single database.

Bank book management and reconciliation

Look for an accounting software system that tracks transactions across accounts and credit cards in one bank book.

It should also make it easy to aggregate data, automatically import transactions from any bank account and automatically reconcile them.

Support for multiple currencies

If your business has a global customer base, you need a solution that accepts multiple currencies and instantly converts them. Look for an application that allows you to report all companies in a single consolidated chosen reporting currency.

Easy budget planning and forecasting

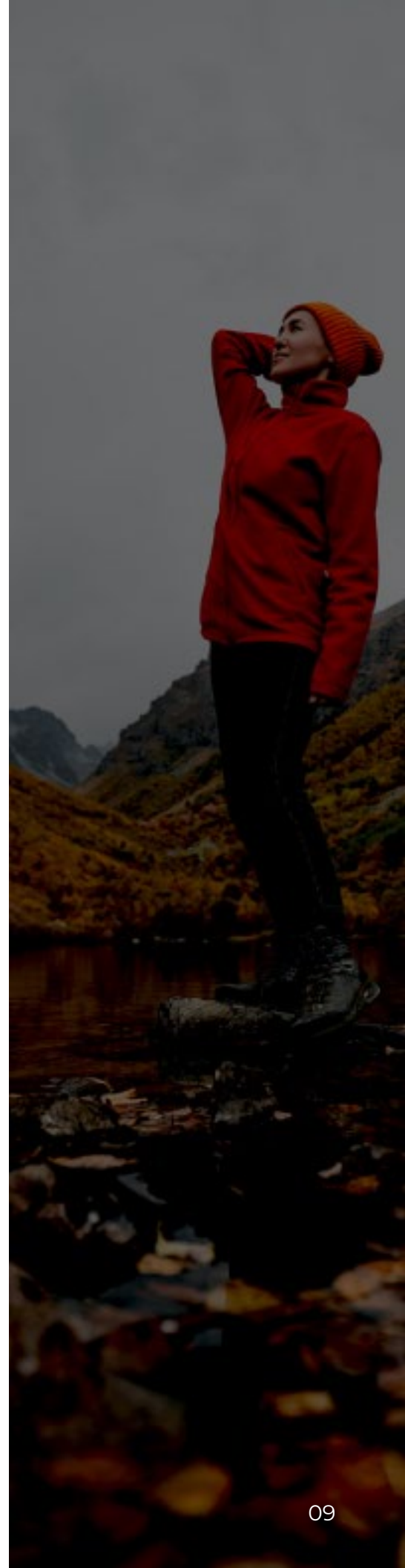
If Microsoft Excel is working well for some aspects of your organization, you shouldn't have to abandon it. Look for a software solution that allows you to transfer budgets directly from Excel documents and consolidate them into one place.

Built-in business intelligence

Robust business intelligence makes it easy to see how each entity is performing and where there's room for improvement. The best accounting software solutions have these insights built in so you can analyze data in real time to make the best decisions.

Investment management

As your business grows, your investments become more diversified. You have multiple sources of income, including fixed assets, real estate and investments in other private companies. An accounting software solution that makes it easy to record investments, purchases, gains and losses will provide full transparency across your entire portfolio.



Inventory management

Optimizing your inventory becomes more critical the larger your organization becomes. Look for a system that makes it easy to track and manage products across locations. It should also give you an accurate profit analysis so you can make the best purchasing decisions.

Purchase order management

Knowing what to purchase is half the battle, but keeping track of every vendor and purchase order is nearly impossible for a growing business without a good software system. Look for a system that gives you real-time information on price, shipping costs and any applicable discounts so you can find every opportunity to save.

Sales order management

An efficient sales process is essential to growth. With software that gives you full visibility into customer orders and fulfillment, you can streamline your quote to cash cycle. It should also calculate value added tax (VAT) automatically so you can easily file tax returns.

Cloud-based

Demand for cloud-based software solutions has steadily increased for years, and the pandemic only accelerated it. The global cloud market is projected to experience substantial growth, surging from \$626.4 billion in 2023 to over \$1,266.4 billion by 2028, with a compound annual growth rate of 15.1%. The cloud accounting market is experiencing similar growth, as companies recognize the value of accessing their data anywhere. Cloud solutions reduce the upfront capital costs of an on-premise system while offering built-in maintenance, upgrades and security.

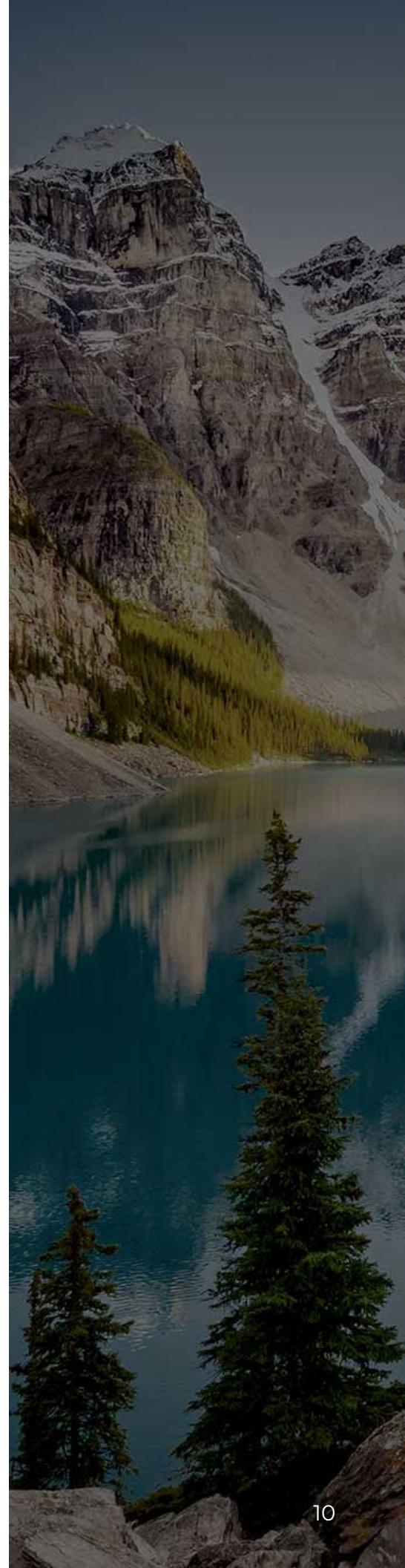
Scalability

As your business grows, you'll need an accounting solution that grows with you. You may want to add more users or new features like fixed assets, job costs, and subscription billing. You may also want a system that includes customer relationship management (CRM) and some enterprise resource planning features.

The best accounting software for mid-sized businesses includes flexible options that make it easy to add features when you need them.

Data security

A data breach can cost your company millions of dollars and compromise your brand reputation. That's why the best accounting software should come with strong internal and external security controls, including pre-defined security roles for users, full audit trails and best-in-class security standards like virus protection and data backups.



Integration with other business software

Consider each application your company uses and how your accounting software will integrate information to it. That includes your applications like EMR, POS or billing systems.

Automated workflows

As your company grows, nearly every business process becomes more complex. The best accounting software solutions allow you to create and customize workflows for any purpose without a developer.

For instance, you can set up multiple layers of approval for different types of purchases within different departments. Automated workflows will make your team more efficient, giving them time to spend on value added operations.

Training and support

The best accounting software for SMBs should be so easy to use that it doesn't require extensive training, but there's always a learning curve. Ask your vendor what resources are available to help you understand how to use it and train your team. Ensure the support team is easily accessible even during non-business hours.

Affordability

Look for a provider that offers a flexible pricing model so you're not paying for a long list of features you don't need. You may only need a few users at first, but your provider should make it easy to add new users at a reasonable price as you scale.

DOWNLOAD THIS CHECKLIST



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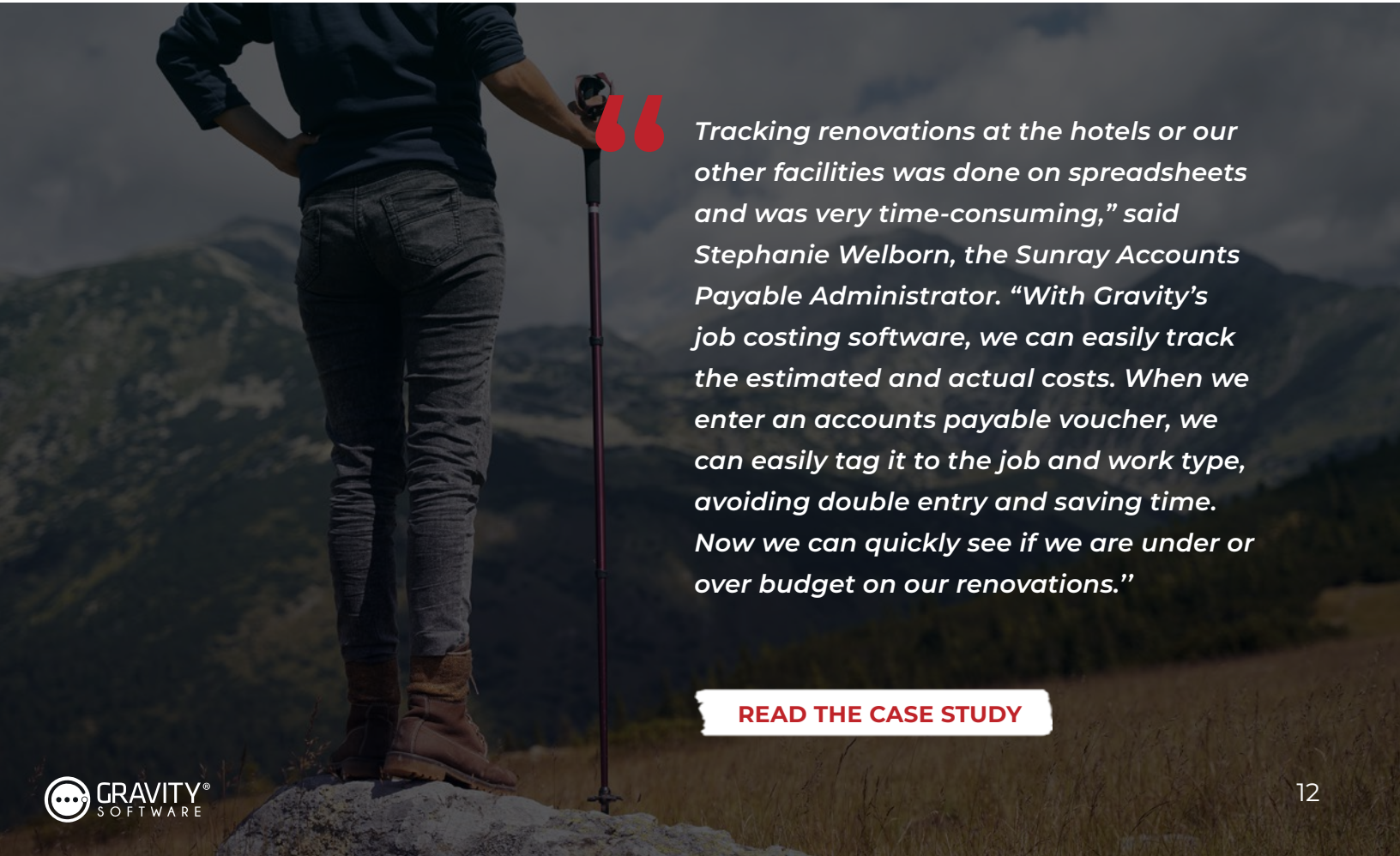
How to make the transition from entry-level accounting software

Growing pains may be inevitable as your company expands, but transitioning to a new accounting software system doesn't have to be painful. One hospitality organization, the **Sunray Companies**, experienced the frustrations of trying to manage their growth in other systems.

As they shifted from Peachtree to AccountsIQ, managing over 300 recurring transactions across their expanding brand portfolio, reconciling bank statements, balancing general ledgers, and producing consolidated reports became increasingly complex. Even straightforward tasks like paying insurance bills involved a multitude of intercompany transactions.

To address these challenges, they sought a cloud-based solution that could streamline multi-entity accounting processes and seamlessly integrate with their existing Microsoft applications, including Teams.

Implementing of Gravity Software had a profound impact on The Sunray Companies' accounting team. Gravity Software's automation and integration features not only saved time, but also significantly reduced the potential for errors that often accompany manual data entry. This transformation empowered the team to allocate more time to analyzing financial data, identifying opportunities for cost savings and proactively solving problems.



“Tracking renovations at the hotels or our other facilities was done on spreadsheets and was very time-consuming,” said Stephanie Welborn, the Sunray Accounts Payable Administrator. “With Gravity’s job costing software, we can easily track the estimated and actual costs. When we enter an accounts payable voucher, we can easily tag it to the job and work type, avoiding double entry and saving time. Now we can quickly see if we are under or over budget on our renovations.”

[READ THE CASE STUDY](#)



4 tips for a smooth cloud accounting software implementation

Managing your software implementation doesn't have to be difficult either! Follow these recommendations to enjoy the process.

1 Assemble a team of the right stakeholders

It's easier to gain buy-in from critical players on your team if you involve them in the process from the beginning. In addition to your accounting department, you will also want to include managers from IT, HR, sales and purchasing, especially if you plan to use more advanced functionality that impacts operations.

2 Create an implementation timeline

Moving to a new accounting software system is a lot more manageable if you outline the critical steps and establish a timeframe for each milestone. For instance, you'll need to **convert data** from your existing system and plan your new chart of accounts. During the data conversion process, you will likely need someone to review your existing information and remove anything that's invalid, duplicate or outdated. Assign someone to each task and set deadlines to avoid unexpected delays.

3 Create a test environment

Mistakes made during the setup process can have a serious impact on your company's finances. That's why it's important to test different scenarios in a sandbox environment before deploying them. For instance, see how your general ledger updates when you add new transactions. Test automated workflows, such as expense approvals, to make sure they follow the appropriate triggers and notify the right people.

4 Train your teams

Many software providers have a standard process for onboarding and training new users. They should provide you with all the resources you need to train people for specific roles. If you have a large number of users, schedule training in phases, starting with training for all department leaders. Once they feel confident using the new system, they can train their own teams.

[DOWNLOAD OUR IMPLEMENTATION GUIDE](#)



Why Gravity is the best accounting software for medium-sized businesses

We understand the challenges of managing multi-entity medium-sized businesses, and it's why we developed Gravity Software. Built on the Microsoft Power Platform, Gravity has everything you need to monitor your finances and operations at a price you can afford.

With robust features and the ability to create personalized workflows, you can manage

accounting, investments, inventory and purchasing exactly the way your company operates. You can also add advanced features to manage customer relationships, fixed assets, job costing, subscriptions and revenue recognition, to name a few. Gravity's open platform integrates easily with other applications your company is already using. Our pre-built templates and automated workflows make implementation fast and simple.

“The Gravity application is seamlessly integrated with Microsoft Office (email, task, schedules), including user security (single sign-on). The system is easy to use while providing powerful capabilities, for example - easily creates intercompany transactions, multi or single company invoices, vouchers or journals.”

“Our company has nine different entities and we transact interchangeably. Not having to do multiple journal entries within each set of books has saved us a lot of time and manual entry!”

“I love how user-friendly the software is to navigate and how much less we are paying per month! We are integrating our logistics software to automate our A/R billing in Gravity, which will save many hours keying invoice data for over 1,000 invoices per month.” (Source: G2)

See why more companies trust Gravity Software to manage their growing businesses.

SCHEDULE A DEMO TODAY

Just Say GO!
GoGravity.com