

## *Cloud computing: what is it all about!*

### **What is cloud accounting all about?**

If you want to read more about the advantages and disadvantages of cloud computing and what benefits you might get from using an online accounting software then keep reading!

But if you just want to get started then what are your options, what software can you start using today or tomorrow to make a difference? Well the short answer is: Get in touch and let us help you choose one and get you started! Go on, email us now! [info@vowles.co.uk](mailto:info@vowles.co.uk)

Obviously the market is rapidly changing, and this information doesn't refer to all the available options but only to the major players. Those online applications that have a good user base and have developed a great cloud accounting solution.

### **What are the best cloud accounting packages?**

In the UK the best two are generally regarded as Xero and Quickbooks Online. Other packages are available but they aren't as good! Certainly Xero has the biggest user base in the UK and is a clear winner.

Cost wise they vary, and most have a 'lite' version for very small businesses – but check to see what they offer and if it meets your needs before making a decision.

Equally importantly there are various conversion routes to go from your old accounts package to the cloud, a desktop version of Sage to a cloud version of Xero for example. Checkout our [5 top tips on moving to Xero](#).

JVCA are XERO and Quickbooks advisers and provide support for several other packages as well ... so whichever online software you want, let us help you to get it! Email [info@vowles.co.uk](mailto:info@vowles.co.uk) and lets get going!

## *The advantages and disadvantages of cloud computing*

### **What are the benefits of online accounting software?**

Firstly, what do you call it? Well you might call it online accounting software, software as a service, cloud computing, cloud accounting, web-based accounting....for ease of reference I'm going to call it cloud accounting as I think this is the most user-friendly. But whatever you call it, why should you be interested? The answer is that there are several quite important advantages of cloud accounting:

- Undoubtedly **ease of access** is the prime advantage of cloud accounting. Online accounting means just that – it is online! You or your employees can access your businesses financial data from anywhere worldwide, at any time without having to download and install anything on their desktop. All you need is an Internet connection! This ability to take care of your bookkeeping on the go means that business owners are not stuck in one location but can spend more time travelling, gaining new clients and taking care of other important business matters without having to be in the office.



- **Price** is always important and another advantage of cloud accounting is that it can be the cheapest way to go. Firstly, there is no need to pay upfront for all of the cost as you would with a desktop accounting package – because you pay monthly. Secondly, unlike buying an accounting software package, it requires absolutely no updates as they are automatically included in the price.
- **Paying monthly obviously makes it easier** to manage your cashflow, but also you can reduce your computer costs because all the normal costs like maintenance, version upgrades, system administration costs and server failures are no longer your problem because they are all managed by your cloud accounting service provider.
- **Low total cost of ownership or TCO** – cloud accounting applications are mainly subscription based and can scale up depending on your business' needs. Also, you normally don't need any major up-front investment in hardware and software. Businesses with cloud accounting technology benefit from better cash flow and don't need as much of an IT presence or staff. Upgrades are also managed seamlessly by the provider meaning you automatically enjoy the new features that come along. What's better – all this is at absolutely no extra cost!
- **Real time financial information** – when managed properly cloud accounting will give you and your business up-to-date and current financial information (most packages have a financial dashboard which helps this). Which helps you to respond to business change by giving you financial information at your fingertips.
- **Your team can easily access data wherever** they are! Smartphone and tablet apps give you information on the move, wherever you are, because software housed in the cloud can be easily accessed anywhere there is a connection, anytime and from pretty much any device! Cloud accounting supports those businesses which have mobile personnel like service and sales teams.
- **Backup and data security are a breeze!** Generally your cloud accounting provider offers data security which is compliant with the Payment Card Industry Data Security Standard. The PCI standard can be too costly to achieve for a small firm, especially if it is to have its on-site application certified. The level of availability and security, backup and disaster recovery offered by a software-as-a-service supplier greatly exceeds the level which a company can provide if the application is housed on-site. You don't need to pay extra for online backups because they are done for you and you don't need any special servers or desktop configurations – just an internet enable device to use it.

#### **Nothing is perfect, so what are the disadvantages of online accounting?**

- If you are a small business then you might pay more for a decent online accounting package than for a desktop accounting package...over several years. You normally only need to buy software updates every 4 or 5 years and if you don't want a online backup service then cost can be a disadvantage.
- Having your information in the cloud means that you don't have control over where in the world it is. It could be on a server in the UK, in Asia, America...pretty much anywhere! For some people this is a real problem, for others less so. But the point is some other entities or governments may well



- get to review, audit, or just look through your businesses' data, depending upon the rules in force in the jurisdiction where your data is located.
- There will always be restrictions in the applications, operating systems, and infrastructure options that are open to you – there will be things the cloud accounting package won't do. Because the cloud accounting provider can only offer what they already have...and the updates they are going to introduce in future. So it might not do exactly what you want and you can't configure and change it as easily as a desktop software.
- Backups can be a problem – Most cloud accounting softwares don't have the facility for you to take a backup of your data and export it or save it to your own computer, merely to printout selected reports. So changing to another package or just keeping a long-term record without having to keep paying the monthly subscription presents a problem. Remember that under UK rules you need to keep your data for quite a few years after your business has ceased!

Having summarised the benefits, and both advantages and disadvantages of cloud computing, where do you go from here? We can give you unbiased advice about the various major cloud accounting applications, identify the one that is right for you...and take the hassle away by helping you to implement them and keep the date up-to-date as well! Just get in touch to start the ball rolling. [info@vowles.co.uk](mailto:info@vowles.co.uk)

