



**Dext**

**The 2021**

**Accounting**

**Technology**

**Buyer's Guide**

## **Choosing a new software**

can be a breakthrough moment for your firm, as it is a significant change that involves your whole team and requires a general consensus

If you're thinking of investing in accounting technology for your firm, now is a perfect time. As technology continually evolves, newer iterations of software are more efficient, reliable, and more productive.

To help you along your journey, Dext created this guide to help you navigate through the process of adding a new member to your accounting tech stack. This e-book will show you what to look for and how to assess the needs of your firm and align that with the best-fit technology.

## Some beginning thoughts:

Acquiring a new piece of technology is now a process of continuous improvement. When picking a new piece of software, you are picking a partner in the growth of your company. The days of simply installing a tool and moving on are quickly becoming a relic of a bygone era. In order to successfully integrate a piece of software, you have to approach the process in a new way.

Choosing a new software can be a breakthrough moment for your firm, as it is a significant change that involves your whole team and requires a general consensus from said team.

When considering accounting technology, this is even more important as you must ensure you not only consider the staff using the tool but also the final end-user -- your clients.

## The importance of vetting your technology

Accounting technology, like any other application, isn't a one-size-fits-all situation. What works for one firm may not work as well (or at all) with the next. Some programs are meant for larger companies, while others are best-suited to small and mid-size firms. Further, not all technology is created equal. You should hold out for the best value you can find. Do your due diligence.

## Creating your action plan

### Evaluation

You must first evaluate the needs of your firm as well as those of your clients.

How large is your firm? Does your team have any need to work outside of the office? What are your overall goals as a firm? How might accounting software help you reach those goals? How will accounting software integrate with your existing software, such as CRM, time-tracking, general ledger, and project management?

## **Research**

This phase will probably consist of scouring the internet and conferring with colleagues in your industry about what they are using for accounting technology. What aspects of their accounting software do they find the most beneficial? What are some of the drawbacks? What were the greatest challenges with implementation and integration with their existing software? You can learn the trends of the industry and determine if a product is novel or gimmicky.

## **Selection**

You're looking for technology that compliments your firm. Develop a "must" list.

You want to choose software that impacts time management in a positive way, one that helps make your firm more productive and efficient. Naturally, it must be secure and safe for your database, and you must have security and authorizations.

Critical to the success of any technology implementation in a firm is its technical support. You want strong and ideally free customer service/tech support.

Add any other relevant items to your must list as they occur.

## **Piloting**

Many accounting software programs offer a free trial or demo. This is useful for you to get a more acute sense of whether or not a particular program will mesh with your firm. The idea here is to be able to try out a program in somewhat of a controlled environment to get a sense of how the program runs without disrupting normal firm operations. There are always things you can uncover that you may miss in a demo session.

## **Assessment**

After testing, determine if the software really meets your needs. Does it appear to meet or exceed the needs of your accounting department? How does it compare with the system you're currently using? Will it save you time? Money? Does it make the department more efficient?

## **Adoption/ Implementation**

This is the final and longest-running phase of your action plan. Rolling out the program means you need to assign roles and responsibilities to designated staff members. Who will be using the software? Who will you train to use it, and who will train others on it? Who will be your point person when employees have questions?

This phase will require ongoing communication with customer service/ tech support, so it's important to have customer service who are dedicated to helping you with the software you have rather than trying to sell you the next version. Fortunately, high-quality accounting technology vendors are aware of this and will do their best to help trouble-shoot and support you.

## Jargon Identification and Breakdown

When dealing with SaaS and newer software in general you are bound to come by the below terms. We'll help you decode this section to help you break through some of the most common tech jargon.

- **Artificial Intelligence (AI):** computers that can imitate the behaviors of people.
- **Blockchain:** a system in which transactions are made through bitcoin or another cryptocurrency and are linked in a peer-to-peer network.
- **Internet of Things (IoT):** the relationship between physical objects embedded with software, sensors, and other technologies to connect and exchange information through the internet.
- **Billing software:** software that allows you to track your client's purchase history including amount due, amount received, balances, sales tax, and late payments.
- **Purchase Requisition:** allows you to keep track of your company's purchases. It can keep an inventory of items you've bought.
- **Tax Preparation:** enter your tax information electronically and you have an almost instantaneous snapshot of how your firm performed. Create profit and loss statements, balance sheets.
- **Cloud:** an internet-based system in which users can store, process, or manage data on a remote network rather than a local server.
- **Freemium:** a system in which basic internet service is free with the option to upgrade to a paid subscription with more features.
- **User Onboarding:** helping make a person successful with a product or service, often online. The process can be automated or manual.
- **Service Level Agreement:** An agreement between a customer and a service provider.

## What is Software as a Service?

Software as a Service (SaaS) is a method of utilizing software by subscription that is centrally hosted. Microsoft Office 365 is an example of a SaaS office application. It's a pay-as-you-go service.

Simply put, SaaS is the transition of software as a single transaction and download to software as a continuous subscription with built-in customer service opportunities and a dedicated line to the business.

### Some advantages of SaaS

You don't have to purchase, install, and update hardware, middleware, or software with SaaS. You can gain access to sophisticated applications that your firm, depending on its resources, might otherwise not be able to afford.

You can access a SaaS program from anywhere, provided you have an internet connection.

You only pay for what you use. The software automatically adjusts to your level of usage.

You don't have to worry about making the program usable on different types of devices. The host has already done that for you.

Should your computer or device fail, you don't have to worry about losing unsaved data. It'll be there when you're back up and running.

## Aligning Business Objectives with Tech Acquisition

Your new technology should help you reach your firm goals. If it doesn't, you may need to reevaluate signing your contract or fully implementing the tool. At the beginning of this guide, we referenced how tech acquisition needs a new approach, and this is the crux of that paradigm shift.

When you are acquiring a new piece of technology, you are signing up for a continuous contract, the costs are higher, and the potential payoff is as well if well executed. When making the decision to add a piece of technology, it's essential to align it with a business goal. Take a look at your key metrics and discuss how using this technology will lend itself to that prospect. If your goal is to reduce the time spent manually extracting information from client invoices, then you must ensure that the product you pick matches that.

This is a wholly custom process, and it's your goal to ensure that you are seeking the most value possible and not relying solely on what's in marketing materials or in the demo. Do your due diligence and ensure that you get everything you need - and are paying for.

## Product Fit

So how do you know if your new software is a good fit for your firm? The answer is simple but also hard to envision from the planning phase. The most important question to ask yourself is, “Are the people that need to use the software able to do so autonomously and productively.” If the answer is yes, you can go into a more subjective review, but step one is to ensure your key users find the product’s value without it being a massive uphill battle.

## Stakeholder Management

For a program to be successful, you need buy-in from all stakeholders. You must explain to all involved how your technology strategy aligns with firm objectives so that there is a clear understanding of your company’s direction and so that everyone is invested in the same outcomes. Get buy-in early, continuously update, and ensure that your plan is solid and makes sense for your organization once it’s time for the rollout.

## The Power of the Free Trial

You wouldn’t buy a car without a test drive. For any large investment, you need to take a trial run before you can determine definitively whether the software is right for your firm. If possible, take the software you’ve chosen for a test run. Gather feedback from your employees about the program.

## Implementation and Change Management

### Making Your End Users Happy

Once you roll out a new program, what will please your end-users? Staying informed.

But new programs will have plenty of tweaks and changes as you go along, and all participants must be kept in the loop.

With any luck, your new system will be much more efficient than the old one, and that’s a sure crowd-pleaser. Your employees will need to be aware, though, that, like with anything else, there’s a learning curve. There will be bumps along the way, but ensuring all issues are addressed on the onset is essential to ensuring user adoption. But, once it’s learned, it should become second nature and be more intuitive and start driving the results you hope to see.

## Defining Success for Your Firm

The extent of your success depends on your firm goals and objectives. Always return to your original firm objectives to determine whether implementation has been successful. Are you saving time and money? Are processes more efficient than they were previously? Is productivity increasing? As long as you've developed measurable parameters within your objectives, the data you've collected should speak for itself.

## What's Next?

Call a meeting with your team to review goals, data, and progress using the new system. What are the benefits? What processes need improvement? How does it compare to what you were doing before?

As contract renewal comes up, you must consider whether or not to renew. If you do decide to renew or extend your contract, what level of service will you need to use? Will you stay with the one you have, or upgrade to another level?

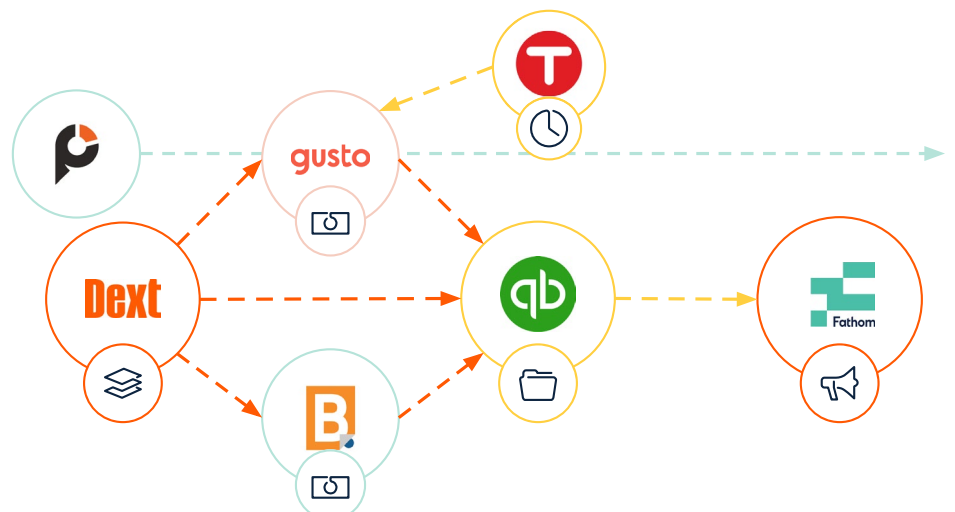
If you decide not to renew, what will you use instead? Are you prepared to undergo the same vetting process a second time with another software?

## Where to Start?

Another great way to understand the potential fit of a piece of software is to lean on the collective knowledge available and leverage case studies and recommendations from trusted partners. Case studies provide an in-depth opportunity to explore how potentially similar firms were able to deploy that tool and its effect on its workflows.

At Dext, we have an array of clients who use our product in novel ways. But that provides us the opportunity to see what use cases exist and what additional features may hide beneath the surface.

Here's an example of what the average accounting tech stack looks like for a Dext Partner:



Dext serves as the Data Entry Pre Accounting Tool, and Quickbooks serves as a General Ledger, allowing for optimal flow of data between the systems. Combining that with your Payroll tracking systems and final report systems, you have the beginnings of a fully functional accounting tech stack.

Of course, this isn't the answer to all of your questions and may not be the optimal fit for you, but being able to see how other companies are successfully leveraging tools can help you start the conversation and implementation at your firm.

## Conclusion

If you're running a firm, you know that improvement is a constant, ongoing process. The preparation behind acquiring new technology is worth going through because of technology's benefits.

Accept free trials and demos. Seek them out. Technology is a huge investment, and it may be costly in more ways than one to get it wrong.

With any accounting software vendor, be sure that customer service has your back. Doing so will make the difference between the success and failure of a new system.

Make sure your technology acquisition aligns with your firm objectives and that your objectives are measurable. If they're not, you won't know how to collect your data, and what information you do collect will be useless to you.

New technology can increase productivity, streamline processes, improve accuracy and efficiency. Will there be growing pains along the way? Certainly, but growing pains are learning opportunities. Capitalize on them and move forward with the new lessons learned.

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