

Get your head in the cloud

James Fry reviews a modern accounting solution for practices.

Would you be able to easily find out your practice's financial position at any time?

If an important and expensive piece of equipment were to fail, would you be able to make the decision on how to finance a replacement? Using a cloud accounting solution you can.

If you use online banking or email then you are already using the cloud. The cloud simply makes data available to you anytime and anywhere on internet enabled devices, rather than being stored on the hard drive of your computer.

The cloud has some significant advantages over traditional desktop software.

- **Access:** Access to desktop software is restrictive; if data is held locally on one computer then updating your financial records can only be done on that computer by a single user at a time. If the computer is used for other purposes, then the task of updating your financial records may find itself down the pecking order.

- **Cost:** Desktop software can be expensive both in cost and time to update. New versions of desktop software have to be purchased as older versions become no longer supported by the providers. Installing updates can prevent your computer being used for other applications as they load, meaning you may have to do this out of hours.

- **Security:** With traditional software you have to remember to make backups and store them elsewhere. To share



your accounting information with your accountants you have to send them a backup on other media, such as a USB stick, which can then get lost in the post or stolen.

On the subject of security, many people worry about losing control of data in the cloud, but security is the number one priority for cloud software providers. The external access to their servers is controlled by multiple firewalls and security controls are audited regularly by specialists. Furthermore, as data isn't stored on your computer, if your computer were to be lost or stolen, the data wouldn't be lost also. Remembering to backup your data is no longer an issue as this is now done automatically by the cloud provider. Finally, you control who has access to your financial data. You can invite your accountant to view your data, meaning there is no longer a need to send a physical backup of your records.

Benefits

At the core of cloud accounting software is better reporting

functionality. Reports are tailored to your requirements, so the figures most important to you are presented in a way to give meaning and greater understanding of how your business is performing. Having to wait for updates to install becomes a thing of the past, as every time you log in you are using the latest version with the latest features.

Using desktop software means there is an expensive upfront cost to pay for software and equipment, and further costs for maintaining that equipment. Cloud services tend to be provided by monthly subscription, with no need for maintenance of a system of servers.

In summary, cloud accounting software enables you to manage your practice and its finances from anywhere. Having a direct link to your bank gives real time accurate recording of transactions so you know your exact financial position at any time. Giving your accountant access to your records via the internet allows you to hold more informed conversations about the financial position of your practice with them, and make the decision on how to pay for that latest piece of equipment.



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