

What are the benefits of a small business using accounting software?

Managing your business finances can be a challenge, which is why you may need accounting software to help you track your money as it flows in and out of your accounts. Accounting software have timesaving options that reduce the time you spend entering data into the system. Depending on the program you have, accounting software can make tasks like invoicing your customers, recording the payments you receive, and following up on overdue invoices much easier and faster. It can also recognise you have travelled and add details to your travel expenses through your Smartphone app.

Benefits of accounting software are listed as follows:

Automation vs. manual tasking saves you time

The best accounting software for small business is focused on automating much of the time-consuming elements of business accounting and most offer access from anywhere.

Reduce potential for errors

Manual accounting increases the chances of errors in your calculations. You can avoid this by opting for accounting software which automatically performs all calculations accurately for you.

This is a big benefit especially if you need to prepare detailed invoices in which specific items or worked hours are invoiced at various rates.

Select the items for invoicing, enter the required data, and the system will do rest for you.

Up to date financial monitoring when you need it

In manual accounting, most work is completed at the end of the fiscal year when the records are prepared for administration and tax assessment purposes.

With computerised bookkeeping, you can create and maintain financial records continuously and get in-depth reports any time you wish.

The business can continuously monitor the financial records of the business and resolve issues early before they become a bigger issue.

From generating reports – such as cash flow, monthly profit and loss and customer profitability – to projecting corporation tax and detailing your VAT position if applicable

Money in and money out both now and when forecasting

You can record and track your income and expenditure. This enables you to know your current as well as future cash flow status.

Enter your bills as well customer invoices, their due dates, and get insightful reports that will tell you if your income are sufficient to pay your future bills.

It talks to your business bank account

The software can be linked to your bank account for up-to-date financial reconciliation and include smartphone apps allowing you to manage your accounts on-the-go.



Support to file your government returns

Accounting software can also automate business filing such as payroll and online tax filing with Her Majesty's Revenue and Customs (HMRC) including Value Added Tax (VAT), National Insurance contributions (NICs), income tax and annual returns.

Access for your Accountant or Bookkeeper

As most business accounting software services can be accessed via a web browser, your accountant can log onto the software from their computer to help prepare your end-of-year accounts and offer support and advice.

Simplify issuing invoices and chasing debtors

Credit control and invoicing is automated with invoices generated and emailed to customers and you will receive email alerts when invoices are overdue.

Integrates with stock control and customer databases

Accounting software can also link to your inventory system for easier stock control as well as Customer Relationship Management (CRM) systems for marketing and keeping details on customers.

Straightforward to learn your new accounting skills

Small business owners do not have the time to learn complicated use new software. For most systems, the learning curve is short and easy. So, even first-time users can learn to use the system effectively. Adequate training and customer support is there to help you make effective use of the software via hints, tips, factsheets, and video content.

The software can grow with your business

Software systems offer additional features and benefits. Expanding start-ups and small businesses can opt for these solutions to meet their growing needs and demands. This could be expanding in other countries and needing multi-currency, using home-based employees, and have clients in diverse locations thus allowing them to use cloud-based accounting solutions that can be accessed anytime, anywhere, on any internet-connected device.

Be tidier and better organised

Manual invoices can easily be misplaced or lost. Software can store all the data and information securely in one location.

You can review, reprint, and resend invoices if required. You can easily search the software for invoices with invoice numbers, names, and amounts.

The processes are easy and fast as the system neatly organises all the entered data.