# Types of Accounting Software: On Premises vs. Cloud



ARTICLE 10.04.21   DEAN DORTON

Upgrading your accounting technology from a basic piece of software meant for any small business to a true financial management platform built for growing companies does amazing things. And not just in the accounting department. Your company now has everything it needs to compete, expand, or evolve once there is a smart and scalable accounting system in place.

If an upgrade is in order (or long overdue) you will need to make an important decision about your next accounting software: Will it be an on-premises solution or something cloud-based?

The debate over which is better has continued for years. The cloud offers easy scalability, simplified management, and remote access to data and apps (more important than ever due to Covid). But on-premises products have strengths as well, including the potential to pay less long-term and insulate financial data from some cybersecurity threats.

Most companies will choose the cloud – it will account for 65% of all spending on financial management solutions by 2025 according to Deloitte. But that means plenty will still choose on-premises as well. The debate clearly isn't settled. More important than the final decision, though, is the careful consideration of both options.

With that in mind, let's explore one major difference between on-premises and cloud technologies that too many people overlook or underestimate: integration.

## How Integration Optimizes Accounting

When your accounting software integrates with the technology you use for sales, reporting, tax prep, or HR, it creates a continuous solution. Financial data flows efficiently (and automatically) between systems, and shared tools make processes as fast, accurate, and scalable as possible.

Lack of integration does the exact opposite. Accountants must enter data into the accounting software manually, requiring countless hours of work and risking typos turning into catastrophic accounting errors. They also can't draw on the strengths of other tools to automate workflows or improve insights.

How well your accounting software integrates with other tools, processes, data sets, and departments speak volumes about the impact it has on your organization. Ideally, your next solution should integrate with a broad variety of common business tools (not just other financial tools). It should integrate easily so it doesn't take much time or technical expertise to set up. And it should integrate thoroughly, meaning it shares as many resources as possible with adjacent tools.

Tomorrow's companies will run on integrated technology, for accounting and everything else. Therefore, making integration a priority isn't just as way to upgrade accounting – it's a major step out of the past and into the future.

**The Ideal Way to Integrate**

Cloud solutions were built to integrate since everything exists inside an interconnected ecosystem. On-premises solutions, on the other hand, are essentially stuck on their own island. When integration is possible at all, it's much harder to handle.

Anyone who wants their next accounting software to integrate with everything around it should choose something cloud-based. Next, you should evaluate solutions based on the variety of integrations available, and look for implementation partners who can set up those integration easily.

Sage Intacct integrates with all the most important (and popular) tools in the enterprise software market. Dean Dorton specializes in six integrations in particular – Avalara, nexonia, Bill.com, workforce go!, Yooz, and Martus – and we can assist with many more. Contact us to make Sage Intacct the centerpiece of a company that works in perfect sync.

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