When MSPs Knew They Outgrew Their Accounting Software



ARTICLE 12.12.23 PHILIP MASSEY

For managed service providers (MSPs), the devil is in the details. This is a fact that Stacey Neideffer knows all too well. Before joining Dean Dorton as a Sage Intacct consultant, Stacey served as the CFO of an MSP. There, she found that despite her accounting acumen and finance expertise, she spent much of her time doing data entry. Was it time for an accounting software replacement?

Their accounting software at the time was QuickBooks. To get data into the system, they had to batch information together and wait for large files to transfer. Batching was slow and cumbersome. It meant the information in the accounting system was often outdated and irrelevant. Most of all, it kept Stacey from more important responsibilities. She realized that the company had outgrown its accounting system and saw first-hand how much trouble that created. When she made the case for upgrading to superior software, the rest of the leadership agreed. The upgrade, Sage Intacct, exceeded expectations, and the MSP thrived as a result.

This is Stacey's story—but at a recent conference of MSPs featuring Stacey as a panel discussion leader, she learned her experience is a familiar one. Many providers are struggling with their accounting, wondering if their software is the problem, and thinking about what an upgrade would mean.

To anyone in the same boat, the panel was an enlightening one indeed. Here are some of the key takeaways to emerge.

Batching is bad for business

A common refrain during the panel was the disruption that batching caused. Everyone who used QuickBooks dealt with it. And everyone agreed it was a constant drain on their time. More than that, it was a dangerous limitation to their financial visibility and control. If the panel had a consensus conclusion it was this: batching indicates the accounting function has outgrown the software supporting it.

QuickBooks loses its luster

Another commonality between the panel and the participants was the struggle to make QuickBooks work for service providers. That was especially true once they grew into multi-entity organizations. Cheap, easy, and adequate, QuickBooks looks great for providers eager to start serving clients, but those benefits quickly become obstacles. The MSPs at the conference who had already left QuickBooks made something quite clear: if you haven't outgrown it already, it's coming sooner than you expect.

Software selection isn't easy

Another sentiment was echoed throughout the panel. Even when the need to upgrade accounting software looks obvious, concerns over picking the wrong replacement or disrupting the accounting process keep many MSPs from taking action. Stacey and others stressed the importance of integrations between the accounting software and other business tools. This helps eliminate batching, and also creates shared data sources and overlapping toolkits to make each piece of software stronger.

What comes after QuickBooks?

With expertise spanning technology, accounting, and the MSP ecosystem, Stacey has a rare skill set that makes her a unique asset to service providers that have outgrown their accounting software. That came through in the panel—and it comes through to clients who recognize Stacey as someone who's been in their exact same situation before.

Make the right replacement by relying on the right partner. Contact Dean Dorton.