



Putting
cloud-based
accounting
software at
the heart of
your business

Introduction

In recent years, cloud-based accounting software has taken the accounting and business worlds by storm.

Gone are the days of using spreadsheets and traditional accounting software to manage your firm's finances. You can now stay on top of your books, generate financial reports and automate manual processes from anywhere (so long as you have an internet connection).

Cloud-based accounting software offers many opportunities to enhance your financial processes and understand your business on a deeper level. But how do you know if you're making the most of this technology?

As tech-savvy accountants, we know how to help you put cloud accounting at the heart of your business. With our experts by your side, you'll be able to use technology to save you time, build a strong financial foundation, inform decision-making and steer your business in the right direction.

So what are you waiting for? Let's get started.

Why should you use cloud-based accounting software?

One of the main differences between traditional and cloud-based accounting software is how users access it. While traditional software is typically installed on an office computer, cloud accounting systems are hosted on remote servers and accessed via the internet.

So what are the benefits of using cloud-based accounting software?

- **Manage finances on the go:** Cloud accounting allows you to access your real-time financial data from any location, on any device with an internet connection.
- **Automation:** Say goodbye to time-consuming, repetitive tasks by automating manual processes with cloud accounting.
- **Stay up-to-date:** Instead of running software updates manually, cloud accounting platforms do everything behind the scenes so you're always using the latest version of the software.
- **Collaborate effectively:** You and your accountant can work on the same data at the same time, reducing the risk of miscommunication errors and making it easier than ever to collaborate.
- **Countless integration capabilities:** Streamline business processes by connecting your cloud accounting software with your business bank account and third-party apps.
- **Flexibility and affordability:** The subscription-based nature of cloud accounting means you can easily scale your software as your business grows or switch to a cheaper plan if you need to cut costs.
- **Security:** Online accounting platforms use encryption and regular backups to protect your data from potential security breaches and system failures.

How to make the most of cloud-based accounting software

Step one: Choose the right software for your business

As tech-savvy accountants, we can help you maximise the benefits of cloud accounting – but first, you need to find which software package works best for your business.

Xero

Beyond Xero's user-friendly interface and time-saving automation features, one of its biggest selling points is the [Xero App Store](#). With over a thousand optional add-ons and integrations to choose from, the app store allows users to tailor Xero software to meet their unique business needs.

Maybe you use an inventory management system to keep track of your stock levels or stay on top of payroll using solutions like [BrightPay](#). As Xero platinum partners, we can help you seamlessly integrate new and existing business processes with your accounting software.

QuickBooks

Often favoured by SMEs and startup entrepreneurs, [QuickBooks](#) offers simplicity and affordability without compromising on quality. Even the most basic QuickBooks plans include features like invoicing and expense management, so you can take on many everyday admin tasks without having to pay extra.

However, you'll need to invest in a more comprehensive plan if you want to add multiple users to your QuickBooks software.

Sage

If you have more complex business finances, you may need software that goes beyond the accounting basics. That's where [Sage](#) comes in.

While Sage comes at a higher price point, it also offers more core features than many of its competitors, making it a popular choice for businesses with growth ambitions.

Advanced dashboards for accountants, unlimited transactions and detailed audit trails make it easier to step up your financial game as your business expands.

Making your decision

To get the most out of cloud accounting, you should choose a platform that caters to your business's accounting needs. But with so many products to choose from, how can you be confident that you've made the right decision?

At Hamilton Morris Waugh, we will get to know your business and recommend an affordable cloud accounting solution that meets your requirements. Check out our [cloud software page](#) to find out more.

Step two: Stay on top of your books

Accurate recordkeeping isn't just essential for staying compliant with tax legislation and accounting regulations; it can give you a better understanding of your business's performance.

While staying on top of your books was once considered a repetitive, time-consuming task, cloud accounting technology streamlines the process. Here's how.

Link your business bank account

Once you've set up your software, one of the first things you should do is link it with your business bank account to create a bank feed.

This lets your software automatically pull data from your bank in real time, categorising your transactions and matching them up against bills and invoices.

Making the most of this feature can reduce the likelihood of errors in your books and significantly cut down time on

manual data entry. It can also make it easier to maximise your deductions at the end of your financial year.

It's worth noting, however, that connecting your bank and your software will only be effective if you use separate personal and business accounts.

Scan paper receipts

If you can't avoid physical receipts, we'd recommend using a receipt-scanning tool so you can still keep a digital paper trail.

These tools read and extract the details on your receipt and send them to your cloud accounting software, so you don't need to type in any data yourself. Most major cloud accounting platforms either integrate with other receipt-scanning apps or have the function built in.

Regularly reconcile accounts

While cloud-based accounting software can do a lot of the hard work for you, it's still important to regularly reconcile your accounts. Doing this at least once a month ensures your books are always balanced, and gives you the chance to amend potential errors quickly.

After you've linked your bank account and configured the necessary automations, this task will be quick and easy to do.

Step three: Automate and integrate your processes

Automating manual accounting processes can save time, boost productivity and reduce the chance of errors in your accounts. And with AI and machine learning technology evolving at break-neck speed, opportunities to streamline your accounting processes are growing by the day.

Integrating your accounting software with other systems also plays a key role in helping your business operations run like clockwork.

Many firms use several different platforms to manage various aspects of their business, but this can make it difficult to see the bigger picture. If you connect these systems to your accounting software, you'll be able to oversee your entire business operations under one roof.

This can be particularly useful if you hire a professional to manage your business finances and administer payroll. Instead of using two separate platforms, your accountant can perform their duties using your cloud accounting software, freeing up time for them to focus on your wider financial strategy.

Invoicing

Even if business is booming, it only takes a few late invoices to negatively impact your cashflow. But don't waste precious time manually sending and chasing up client invoices via email.

Using cloud accounting technology to set up a robust invoice management system can make a world of difference to your business's day-to-day finances. Automated invoicing features streamline the process, instantly sending invoices and reminders without you having to lift a finger.

From the client's point of view, these tools often make it easier to pay their invoices on time, increasing the chance of prompt payment and helping you effectively manage your cashflow.

Payroll

Many cloud accounting platforms either come with built-in payroll functions or integrate with third-party payroll solutions, making it easier than ever to pay your employees correctly and on time.

Forget about importing and exporting employee data yourself; connecting your payroll system and accounting software allows them to communicate with each other directly.

Endless customisation

One notable feature of online accounting platforms is their impressive level of customisation. The most effective cloud accounting solutions will address challenges specific to your business or industry. For example:

- **Inventory management:** If you need to keep track of stock levels in your business, implementing a solid inventory management system can help you make well-informed buying decisions. This can be particularly useful for retailers, wholesalers and manufacturers.
- **Time tracking:** The project-based nature of industries such as construction and engineering means it's important to keep track of how much time you're spending on different tasks. Connecting a time-tracking tool to your accounting software can make logging your hours much easier.
- **Customer relationship management (CRM):** For the vast majority of businesses, customer satisfaction and financial success are inextricably linked. Connecting your accounting software with your CRM systems can help you better understand your client base and improve customer service levels.

Step four: Use your software to gain insights

If you know how to use it effectively, cloud-based accounting software can play a significant role in informing your business decisions and accelerating financial growth.

For us accountants, this is where things get really exciting. So long as you keep your information accurate and up-to-date, online accounting software can give users a more comprehensive understanding of a business's financial past, present and future.

Financial reporting tools

Once you've familiarised yourself with your software, you'll be able to generate in-depth financial reports in seconds. This can be particularly useful when it comes to filing your company's annual accounts, but the benefits go far beyond compliance and time savings.

Cashflow forecasting, for example, help you plan your spending and anticipate potential cash shortfalls ahead of time. Cloud-based accounting software can use your past cashflow statements to create cashflow forecasts

Meanwhile, KPI-tracking tools allow businesses to measure the performance of key metrics against targets. Common KPIs include revenue and profit margins, but your accountant can help you identify the most important metrics for your business.

Enhance your budgets

Creating a solid annual budget is an essential part of good business planning. While no one can predict exactly what will happen in the future, cloud accounting uses your historical financial data to make realistic projections. We can use these insights to help you:

- set and realistic objectives
- identify areas for improvement in your financial processes
- adjust your strategy as your circumstances change.

Cloud accounting can be an invaluable budgeting tool, allowing you to make more data-driven decisions that steer your business in the right direction. However, it's important not to lose sight of the bigger picture.

Outside factors such as market conditions, new tax laws and the wider economic landscape can significantly impact your business's financial health. So while we'd highly recommend putting cloud-based accounting software at the heart of your business, it shouldn't replace your intuition – just enhance it.

Step five: Work with cloud accounting experts

Cloud accounting may have changed the way we manage our business finances, but you'll still need access to expertise if you want your software to meet its potential.

At Hamilton Morris Waugh, we pride ourselves on our [**tech-driven approach to accounting**](#). We work with clients at all stages of their business journey, offering tailored advice and technical support every step of the way.

Whether you need help picking the right platform or want to streamline certain processes, we'll ensure you always get the most out of your cloud-based accounting software.

We won't just set you up with the basics and send you on your way; if we spot opportunities to make your life easier through new automations and integrations, we'll let you know. No two clients are alike, so we'll talk to you to identify your unique business needs and goals. This can help us develop a bespoke cloud accounting solution that meets your requirements.

Compliance is also central to our cloud accounting services. We can help you meet your obligations under [Making Tax Digital \(MTD\)](#) for VAT, showing you how to file your returns using your software and ensuring your books remain accurate and up-to-date. With MTD rules soon expanding to income tax self-assessment, we'll work with you to make the transition to this new way of doing taxes as smooth as possible.

If you need help with your cloud-based accounting software, our experts are only a phone call away. [Get in touch with us](#) today to take your accounting processes to the next level.





**Ready to find
out more?**

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