

Top Ten Criteria for Selecting Accounting Software

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Mark Chinsky with On-Track Consulting recently provided me with an interesting chart. It provided the top reasons businesses use when selecting a new accounting system. The information was originally part of a study done by Deloitte & Touche.

In this study businesses looking for an accounting system were asked to name the top ten criteria they used to select an accounting software package. The responses were ranked in order of importance.

In addition, those who were in the process of selecting their first accounting system were ranked separately from those businesses that were selecting their second system.

This provides a nice comparative view of the importance of various factors commonly used in deciding which accounting system a firm might use. Of particular interest was how the ranking changed for firms who were looking to change from an existing system to a new one.

First time buyers

Here's the ranking for those businesses looking for their first accounting system.

Rank	Reason
1	Price of Software
2	Ease of Implementation
3	Ease of Use
4	Software's ability to fit the business
5	Functionality of software
6	Software works with existing hardware
7	Growth potential of software
8	Level of support provided by the local firm
9	Quality of documentation
10	Developers track record of performance

When you look at this ranking it seems to make sense. Anyone who's looked for an accounting system knows how difficult it can be to find the best system for your use. There are a number of solid accounting systems available with loads of features. Plus it's not always easy to compare one system vs. others.

Naturally no one wants to "overpay" for anything therefore price is very important. Plus no one wants the hassle of a difficult implementation or hard to use software. That's why it's natural to see these items at the top of the list.

Near the bottom of the list finds local support and the developer's track record. First time buyers either don't understand or can't properly evaluate the importance of these two elements.

Second time buyers

Here's the ranking of the same reasons but this time for businesses selecting their *second* system:

Rank	Reason
1	Level of support provided by the local firm
2	Developers track record of performance
3	Software's ability to fit the business
4	Growth potential of software
5	Price of Software
6	Quality of documentation
7	Functionality of software
8	Ease of Use
9	Ease of Implementation
10	Software works with existing hardware

Major Differences

Some of the rankings stay pretty similar but others jump out with significant changes as follows:

Rank (1st time)	Rank (2nd time)	Reason
8	1	Level of support provided by the local firm
10	2	Developers track record of performance
1	5	Price of Software
3	8	Ease of Use
2	9	Ease of Implementation
6	10	Software works with existing hardware

Conclusion

You'd think that second time buyers would in general be "smarter" if for no other reason than they've got the experience that first time buyers don't. So it stands to reason that their rankings would be a better guide for those researching accounting system options. Therefore, here are the key points that surface...

- The important role that a quality local consultant plays is much more apparent to firms in their second go around with a new system.
- The Developers track record is much more important than first time buyers think since it jumps in importance from dead last to second in importance.
- Price of Software drops from the prime reason to the middle of the pack reflecting that price, although important, is not the end all.