

# Cloud Accounting for Small Business

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Wave Accounting



# Intro

- 16 years in the software industry
- Spent 14 years at Sage
  - Built accountant & bookkeeper network for Simply Accounting
  - VP Product Management for mid market ERP division
- Joined Wave in May 2011
- Focus at Wave Accounting is to develop our network of accountants & bookkeepers





# What we're going to cover today

- An overview of Cloud Computing
- Data security
- Hosted vs. Cloud
- Benefits to the accounting profession
- The VERY small business market
- The Wave Pro Network



## Poll

I am a CPA:

- In public practice
- In industry
- In government
- other



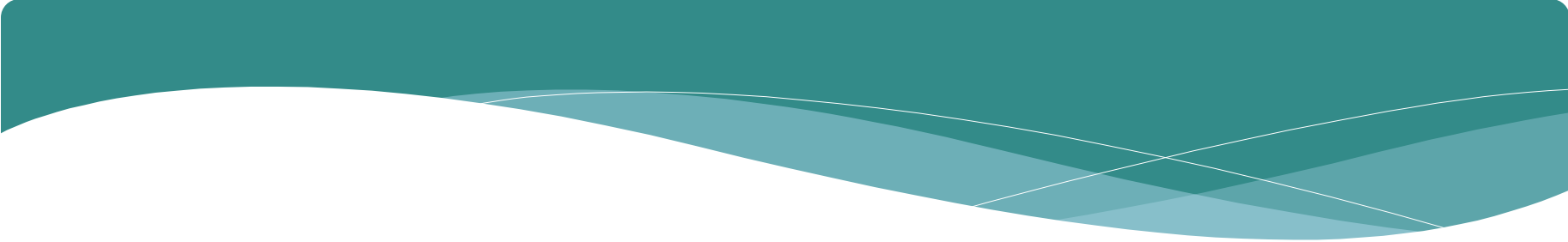
What is “The Cloud” and why should I care?



Think of Cloud Computing as doing your business on the web or running your applications via the web.

This means:

- No need for in-house technology infrastructure
- No need for expensive in-house IT staff to maintain servers, install software upgrades, etc.
- No need to purchase software licenses



Why should you care? Are you secretly hoping this latest fad will pass?



## Consider these facts:

### Gartner

- In 2011, 7% of worldwide digital content was stored in the cloud. By 2016, that number is expected to grow to 36%
- Gartner predicts that the digital storage needs of the world will increase from 329 exabytes in 2011 to 4.1 zettabytes in 2016





## Consider these facts:

### Microsoft SMB Cloud Report 2012

- The number of very small companies using a paid cloud solution is expected to triple in the next 3 years
- Most SMBs believe that technology can make work more enjoyable (79%). That number is even higher among current cloud users



## Consider these facts:

### CPA2Biz

- More than 1000 accounting firms, and 5000 of their clients are using web-based tools to improve productivity, raise profits, and build better customer relationships

*“The time for wondering if your firm should move to the cloud is past...”*

Erik Asgeirsson, CEO CPA2Biz

# What's driving this demand?

- Small business people want to be mobile
- Using multiple devices – there's a strong desire for everything to be “in sync”
- Flexibility to work on whatever computing device is convenient
- Ability to choose platform / OS
- Quick implementation and low upfront costs – low risk
- No more upgrade headaches
- Disaster recovery and backups taken care of

Business people are realizing that the cloud removes much of the pain associated with traditional on-premise software tools.



# Small businesses are embracing cloud-based tools

Calendar management

Email

E-Marketing tools

CRM

Accounting/Billing/Invoicing

Document Management

Human Resource Management

Data storage/Backup

Online Payment apps



# Poll

How familiar are you with cloud-based products?

- Very familiar – I'm already working with several cloud based tools
- Somewhat familiar – I work with at least one
- Current investigating cloud based tools
- I have no interest in cloud based tools



What about data privacy and security?



# While there is still skepticism, attitudes towards security continue to shift...

## Microsoft SMB Cloud Report 2012

- Only about 20% of SMBs believe that data is LESS secure in the cloud than it is in their on-premise systems
- 36% overall, and 49% of SMBs with 51-250 employees believe that data is as secure in the cloud as in their own systems

# Data Center Compliance

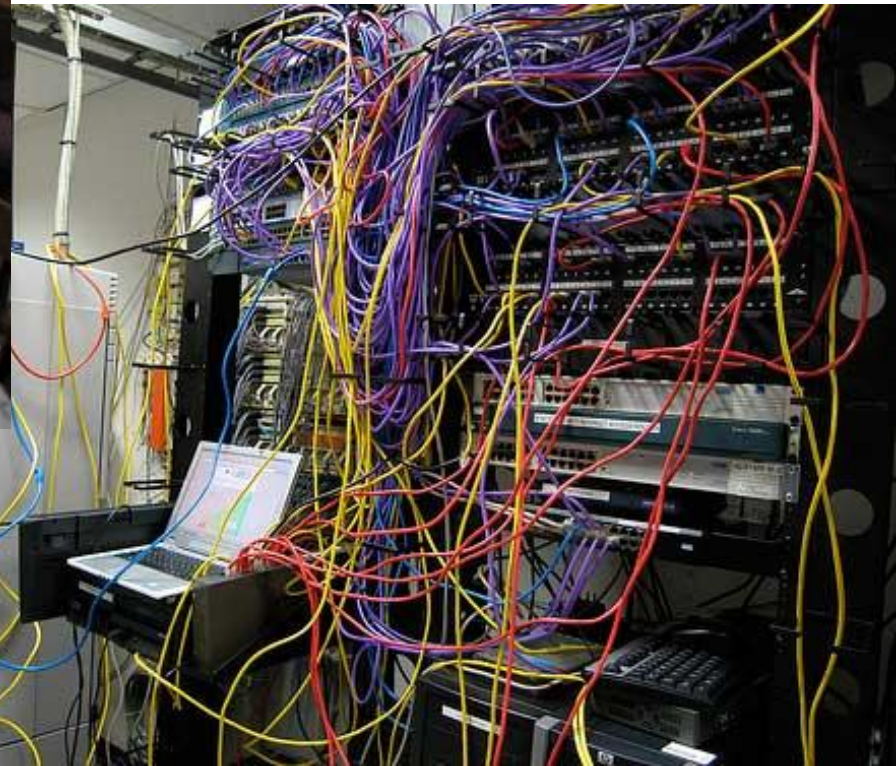
- SAS70 certification, recently replaced by AICPA Service Organization Controls Report (SOC)
- Puts your mind at ease knowing that the vendor's data center has undergone stringent scrutiny around internal controls, procedures, software, infrastructure, etc.



A real data center looks like this...



NOT like this...





# Poll

My perception of security of data:

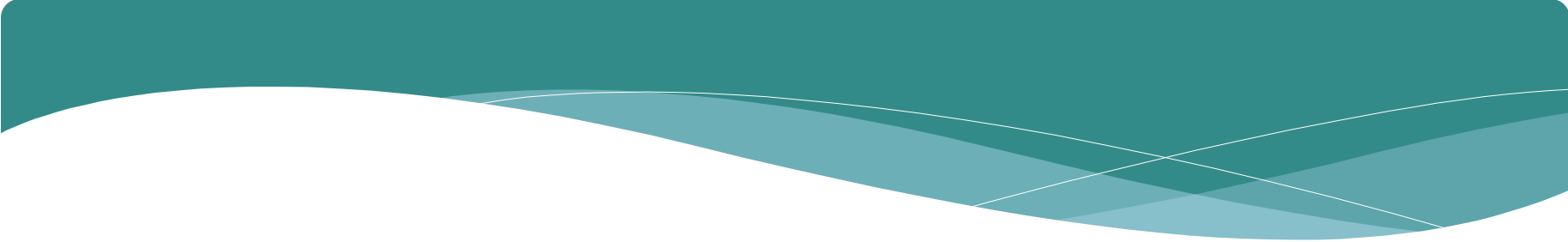
- Data is more secure in the cloud than on-premise data
- Data is less secure in the cloud than on-premise data
- Data security is roughly the same in the cloud vs on-premise



Are all Cloud-based offerings the same?

no.

... ummm,



**True cloud:** Applications are designed from the ground-up and optimized to run in a web browser. Applications are “multi-tenant” meaning the product is delivered by one vendor to many customers, and customers share storage and processing power. (Also referred to as SaaS)

**Hosted applications:** Traditional desktop-based software that is hosted by a 3<sup>rd</sup> party. User experience is a desktop application, running in a browser / virtual environment.

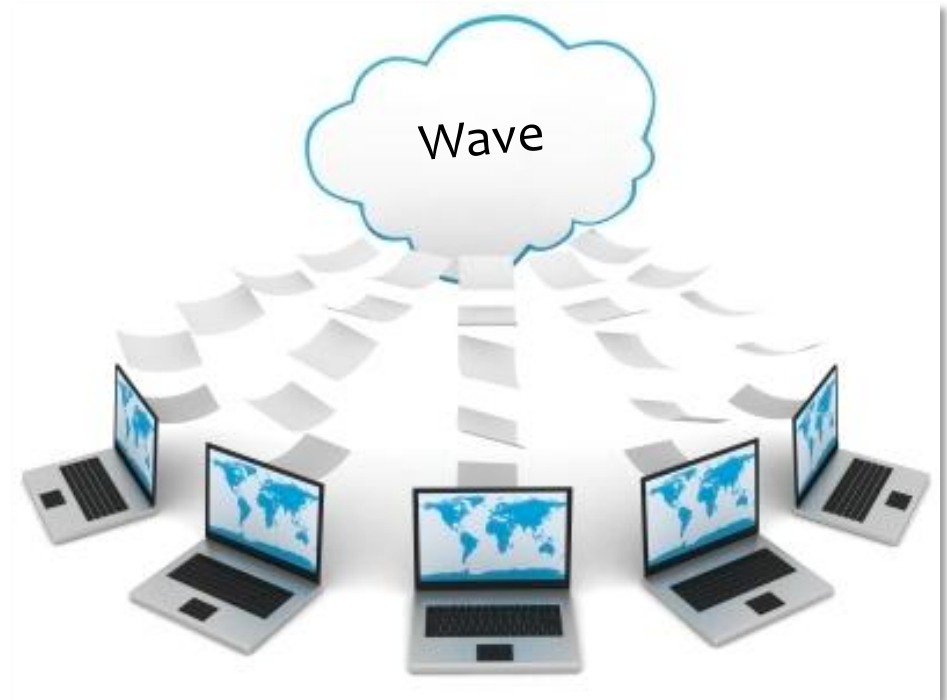
# Accounting Software example

Hosted “Desktop” accounting software

True Cloud /SaaS



VS.



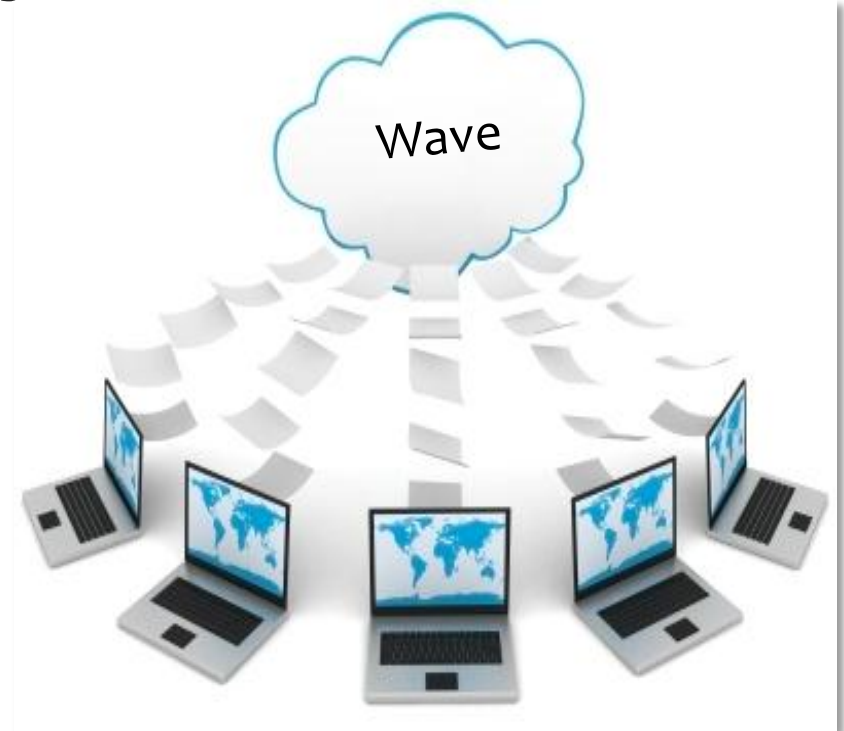
## Hosted “Desktop” accounting software

- Purchase software license
- Work with an independent hosting partner to get product hosted (no single point of contact)
- Access a “Virtual Desktop” Windows-based UI through a browser (using Citrix)
  - Not a true web experience - application isn’t designed for the web
- Wait 12-18 months for “upgrades”, then work with hosting partner to get it installed



## True Cloud /SaaS

- Sign-up online – up & running in seconds
- Software vendor is also the host (one throat to choke)
- Application is designed & optimized for the web
  - Any operating system
  - Any browser
  - Any device
- Updates delivered every 2 – 3 weeks – ongoing value
  - No disruptive “upgrades”







As a CPA, how do I fit into this world of  
Cloud-based accounting tools?



- Real-time collaboration with clients
- Increase scale, capacity & profitability!
- Efficiency – work from anywhere
- Single sign-on provides access to all client files
- Stay relevant & competitive
- Create opportunities for other value-add engagements



Shifting gears....

Let's look at the small business landscape.

“very”

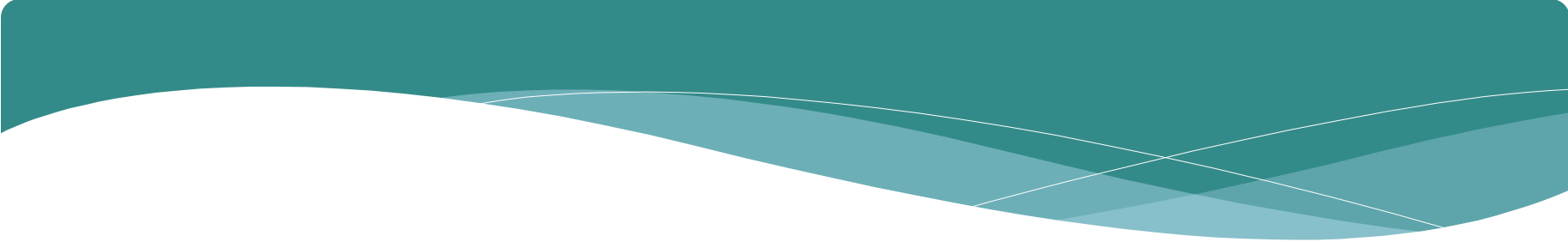




## Poll

Do you provide accounting services to businesses with less than 10 employees?

- Yes
- No



According to the 2008 US Census, of the approximately 28M businesses, 26M have 9 employees or less.

**That's 93% of all businesses!**

**81% have NO employees**



So what's the state of the nation for the  
VERY small business market segment?

# SMALL BUSINESS OWNERS SAY: BEING THE BOSS IS AWESOME, BUT NOT EASY

86%

♥ what they  
do for a living

50%

say it's harder  
than expected

4%

say it's easier  
than expected

4%

say they would not have done it if  
they'd known how hard it is

From the **WAVE SMALL BUSINESS REPORT, SUMMER 2012.**

More graphics and details available at [waveaccounting.com/small-business](http://waveaccounting.com/small-business)



# IS THE RECESSION OVER?

*We asked small business owners:* How was business in the past 12 months? And what about the next 12? Their answers suggest that economic recovery is underway—or at least that they're equipped to overcome current obstacles.

THE NEXT 12 MONTHS

VS

THE LAST 12 MONTHS

SEE A BRIGHT FUTURE

81% 

DIDN'T EARN ENOUGH FOR THEIR NEEDS

 48%

HAVE A BUSINESS IN  
GROWTH PHASE

66% 

WERE DISSATISFIED WITH  
BUSINESS PERFORMANCE

 23%

PLAN TO LAUNCH NEW PRODUCTS,  
SERVICES OR CAMPAIGNS

73% 

SUFFERED FROM INCREASED  
COSTS OF DOING BUSINESS

 38%

PLAN TO HIRE  
NEW EMPLOYEES

26% 

WERE HURT BY CHANGES IN  
CUSTOMER SPENDING

 30%

From the **WAVE SMALL BUSINESS REPORT, SUMMER 2012.**

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# WHY DO YOU DO IT?

**57%**

I want to be  
the boss

**47%**

I'm entrepreneurial

**46%**

The money is better

**50%**

I want flexibility/time  
for family

**15%**

I was  
unemployed

**2%**

Government  
incentives





What's the opportunity for accountants?

**“Very Small Business”**

**+**

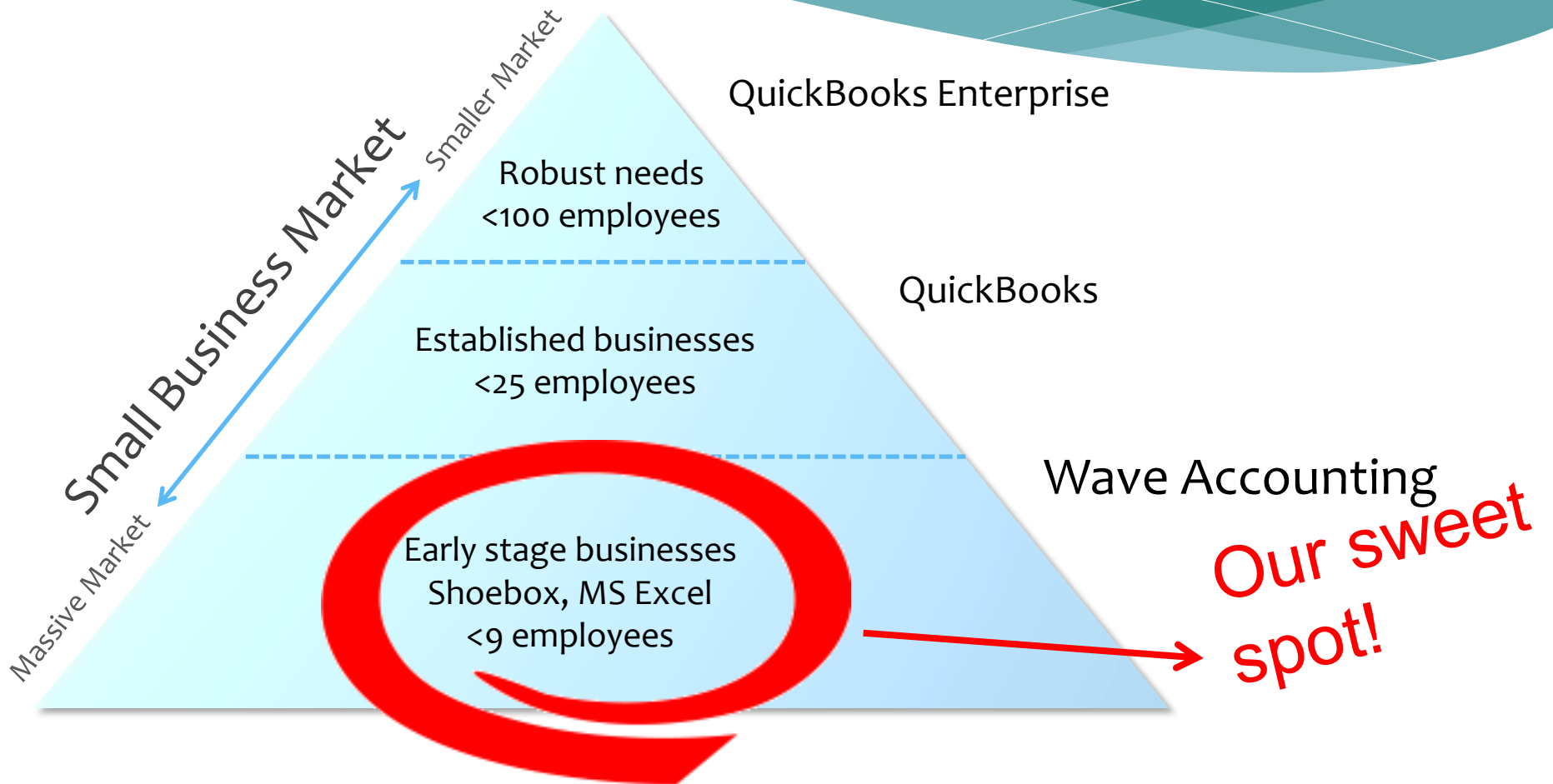
**Cloud Accounting =**

**Match made in heaven**

# The Opportunity

- Market is massive, and very under-served
- Accounting & bookkeeping generally isn't a priority for them, yet they understand its importance
- Learn to work with these business owners at scale – some can become larger opportunities & high value engagements
- Opportunities include accounting system setup, bookkeeping, virtual controllership, consulting, training, tax prep, payroll, succession planning.....

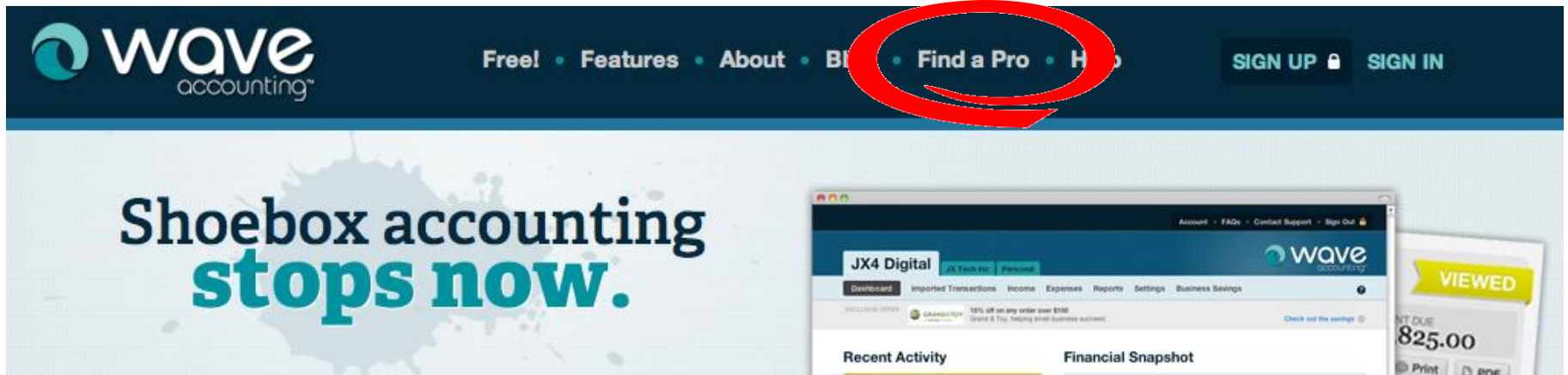
# Small Biz Market



# Wave Accounting

- Over 300,000 small businesses have signed up in under 2 years
- Most customers find us by searching the web
- Customers tend to be tech savvy – work with multiple cloud based tools
- Most are tiny businesses, that understand that accounting is important and necessary, but still have a difficult time making it a priority
- Generally, most business owners encounter some kind of “compliance trigger” within their first few months of business
- That’s when they begin the search for an accountant that truly understands small business AND someone who can help with the accounting software tool that they’ve already chosen

Customers are steered to the “Pro Network”



The image shows a screenshot of the Wave Accounting website. The top navigation bar is dark blue with the Wave Accounting logo on the left. The navigation menu includes links for 'Freel', 'Features', 'About', 'Blog', 'Find a Pro', and 'Help'. The 'Find a Pro' link is circled in red. On the right side of the navigation bar, there are buttons for 'SIGN UP' and 'SIGN IN'. Below the navigation bar is a promotional banner with the text 'Shoebox accounting stops now.' and a screenshot of the Wave Accounting dashboard. The dashboard screenshot shows a user profile for 'JX4 Digital' and various menu items like 'Dashboard', 'Imported Transactions', 'Income', 'Expenses', 'Reports', 'Settings', and 'Business Savings'. A 'VIEWED' badge is visible on the right side of the dashboard screenshot.

# Find a Pro

Find a nearby PRO by searching by services offered, rating and keywords.

Chicago, IL

within a radius of

25

KM

Search

List

Map

Sort by: Name

Wave Pro Network members

Results Per Page: 10

## Costello CPA Group, Ltd.



Matthew J. Costello, CPA

Chicago, IL, United States

### Services Offered:

- Accounting
- Bookkeeping
- Tax
- Consulting

## John R. Waters & Company



Nicholas Sickler

Chicago, IL, United States

## Pransform Services, INC.



Hitendra Patil

Chicago, IL, United States

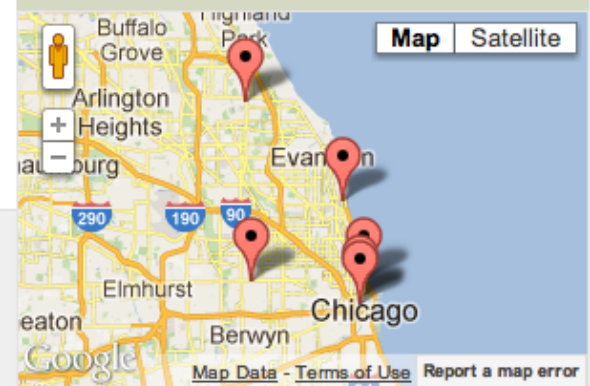
## Ron Kniss



Ron Kniss

Chicago, IL, United States

### Mini map



### Services offered

Enter a service...

### Keyword

Enter keyword(s)

Become a Wave Pro

# Find a Pro

Find a nearby PRO by searching by services offered, rating and keywords.

Find a Pro

Wray Rives, CPA CGMA

## Wray Rives, CPA CGMA



[Edit](#)



[Wray Rives](#)

[Contact this Pro](#)

[01.214.613.3876](#)

[Coppell, TX, United States](#)

<http://rivescpa.co>

[LinkedIn](#)

[@rivescpa](#)

[Rate this Pro](#)



I prepare individual and business tax returns and provide accounting services for US, Canada and any of the 50 US states. I am a Certified Public Accountant currently licensed in the State of Texas and also authorized in the State of California. I am also a Chartered Global Management Accountant.

My entire firm operates virtually, meaning we don't maintain a brick and mortar office or storefront and also don't have to pay for the overhead that goes with that. Everyone in my firm works from home or a temporary shared office space or sometimes even Starbucks. We offer full service tax planning, incorporation and choice of entity for your business plus ongoing accounting, payroll and bookkeeping and we can prepare a tax return no matter where you are located and already are servicing clients that have US tax reporting requirements and are located in 25 different states plus Canada, China, South America and Europe. Please contact us to discuss your unique tax and accounting needs and how we can help you succeed.

### Mini map



### Services offered

- Accounting
- Bookkeeping
- Tax
- Consulting

### Become a Wave Pro



The Wave Pro Network is a community for accountants and bookkeepers in public practice.

If you are in the business of helping small businesses, [join us](#).





Join the Wave Pro Network, FREE

<http://waveaccounting.com/pro-network/>



To summarize...

If you haven't already embraced cloud technology, stop procrastinating



To summarize...

Small businesses are rapidly adopting cloud based tools,  
including accounting applications



## To summarize...

The very small business segment is massive and under served – this is a great opportunity to grow your accounting practice



To summarize...

**Check out Wave Accounting** – a FREE double-entry cloud based accounting product designed for businesses with less than 10 employees

[www.WaveAccounting.com](http://www.WaveAccounting.com)

## Get in touch...

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