Network Accounting

Increasingly, small businesses from accounting firms and employment agencies to florists and medical offices have turned to personal computers and accounting software to more efficiently and easily manage their accounting needs. Currently 75% of small businesses in the U.S. have at least one personal computer. IDC estimates the number of small businesses with more than one PC at over 3.2 million—an all time high. If your business computing environment is multiuser, you could gain several advantages from networked accounting.

What is Networked Accounting?
Networked accounting means that your accounting software resides on your firm's server and is accessible by all PCs that are "networked," or connected, to the server. You will probably need a networked accounting system if you have more than three PCs that are networked and at least two of the users need simultaneous access to components of the accounting software.

What Are the Benefits of Networked Accounting?
Networked accounting enables firms to improve customer service. Employees with networked PCs are able to better service customers by having immediate access to customer accounts. When customers call with inquiries, their information can immediately be brought up on screen. They do not have to leave unnecessary messages and wait for returned phone calls from dedicated accounting professionals. This immediate attention translates into greater customer satisfaction and more efficient business practices.

Networked accounting helps to improve managerial decision-making by giving management instantaneous access to financial information. Managers have the ability to monitor cash flow, spot problem areas in receivables or inventory, and review the company's daily fiscal condition. In small businesses where there are generally fewer resources, immediate access to such information plays an important role in management.

Finally, networked accounting saves time and money. Networked accounting systems allow employees to perform multiple tasks simultaneously and access the same files concurrently. For example, one employee can enter orders received while another calculates payments to vendors. Accounts payables employees don't have to wait for the accounts receivables employees to finish their tasks. Employees can also be in the same application, the same program and the same file at the same time. Payroll operators can enter information while managers are preparing payroll report data.

What to Look for in Networked Accounting Products
Look for a product that integrates the accounting modules required by your firm, such as General Ledger, Sales and Receivables, Accounts Payable, Payroll and Fixed Assets. Systems should also include sophisticated security and password features that allow users varying degrees of access. For example, a customer service representative might have access to individual account balances but not to more sensitive employee payroll data. Peachtree Accounting for Windows* is an example of a networked accounting software package that offers a multiuser environment a majority of the above benefits.