

Radio Days – 2012-05-19

Tip of the Week – Things Don't Always Go As Planned

A client recently bought a new laptop computer. One of the things about laptop computers is that they do not come with a DVD so that you can re-install Windows and all the other bits needed to make your new computer work. The manufacturers of laptops get round this by asking you to create DVDs which you can then use to restore your computer to its pristine condition.

Usually this process is as simple as pie, but for my client this was not the case.

This process normally needs three DVDs for the full process, and the program which creates these DVDs asks for each one in turn. All went well for my client for the first two DVDs: each one popped out on command and the program asked for its replacement to be inserted into the DVD drive. This is just what you would expect from a program like this.

The problem occurred when the final DVD was completed. The program just stopped! There was nothing that my client could do so she rang me. There was nothing that I could suggest that worked so I called round on my way home that evening. As it turned out there was nothing that I could do either, so I just rebooted her computer.

The first two DVDs were fine and the third one appeared to be recorded properly. The last message on the screen stated that the final disc had been both written and verified correctly. This was a relief as I was hoping that all had gone well.

The best-laid plans of mice and men oft go astray!

Which Is The Best Program?

This week I talked with a client who had become dissatisfied with her bookkeeping program. She was finding it far too restrictive for her needs and she wanted me to fix the problem. This started a train of thought that has now been working its way around my brain for a few days. My thoughts went along the lines of people becoming stuck to their accounting program.

Almost everybody spends more time choosing a name for their pet than most people spend choosing an accounting program. The result of this is that too many people get the wrong program for their needs and find that they are stuck with this choice for the rest of their business career.

I support two accounting programs: QuickBooks and MYOB. Where possible I will always steer my clients towards QuickBooks for many reasons. Here are some of these reasons:

- **Ease of use:** when I was teaching at BRIT (the Bendigo Regional Institute of TAFE) I taught people how to use both QuickBooks and MYOB. Those who had learnt MYOB first were horrified to find just how much easier QuickBooks was to use while those who had learnt QuickBooks first were wondering why they had to endure MYOB's frustrations.
- **Ability to change transactions:** there are many (far too many, in my opinion) types of transactions in MYOB which cannot be changed. For example, a client lost a payment and could not complete her bank reconciliation until the transaction had been found. With a little effort she discovered that her transaction was dated three months in the future. In QuickBooks she could just have changed the transaction date but in MYOB she had to delete the transaction then re-enter it. This has the obvious chance of introducing an error into your accounts, so you need to be careful.
- **Better reporting:** in QuickBooks you can memorise a report with a set date range (eg *Last Month*) and it will always print the report for the previous month. In MYOB you must always set the date range each time you print the report. QuickBooks' reports are also much easier to modify so, if you find that a standard report is almost

right for your needs, you can make a few simple modifications and the report is just what you want. Try doing that with MYOB!

- **Finding transactions:** in QuickBooks there is a *Find* function which will find all transactions which match certain criteria. There is nothing like this in MYOB and too often I realise that finding a transaction in MYOB is worse than finding the proverbial needle in a haystack.
- **Main screen layout:** QuickBooks has one main screen which covers the most-used functions in one easy place. MYOB, on the other hand, has six, seven or eight screens depending on whether you have *Time Billing*, *Payroll*, both or neither. For a number of people this is a most confusing situation because they are not sure which section of MYOB they are currently accessing.
- **Payroll** is much easier in QuickBooks, especially at the end of the year. MYOB prints employment summaries for all employees who have ever worked for you whereas QuickBooks only prints this document for those people who have worked in the last financial year. This can save a lot of frustration at the end of the year when everything seems to hit at once.

There are more advantages to using QuickBooks, but you will only find them when you start looking for them. You will be in a process of discovery, and you will make mistakes as you try each program, but you should learn which one is the best for your purposes.

Try Before You Buy

Both QuickBooks and MYOB offer the chance to try the product before you buy. You can buy a trial pack in the shops or you can download the free trial version from the company's website, complete with an installation key code, then try the product before you buy. I suggest that you try both products with all your transactions for the trial period. QuickBooks' trial period is 90 days while MYOB's trial period is 30 days.

If you do use one or both of these trial options all the data which you enter during your trial period will work in the full version of the same program. This means that, if you test the payroll version, you will need to purchase the payroll version when it comes time to purchase the full version. This means that you should spend some time working out which version of the program you need.

As usual, a little time spent in planning is worth its weight in gold! As my Dad used to say: *Time spent planning is rarely wasted.*

I also suggest that you get a competent person to create your data file for whichever program you chose to try. This step, by itself, will give you a greater chance of success than any other. If you then get some help learning how to use the programs correctly again you will greatly increase your chances of getting a positive outcome.

I see too many people in my daily work who have neglected both of these steps and then, often years down the track, have been faced with an accounting program which did not work. Often the only way to get a working program was to start again with a new data file because the first data file was created in such a way that it would never work.

Just because the advertising states that these programs are easy to use does not make it true.

Which Version?

Both companies offer a number of variations of their accounting program. The basic programs offered by both companies are, in my opinion, a waste of time because their ability to do what you want has been severely reduced. I strongly suggest that you do not install:

- QuickBooks EasyStart Lite
- QuickBooks EasyStart
- MYOB AccountRight Basics

These program are so simple that they make even the simplest task much more complicated than it needs to be.

There are three versions of each product which will suit the vast majority of my clients. These versions are:

- **Standard:** has all the normal accounting functions. It will help you prepare your BAS and keep track of all your stock items and the number of each on hand. I strongly recommend that you do not use the ability to track your stock holding: every person who I know has used it has had problems.
- **Plus:** this has all the features of Standard plus payroll. This can be invaluable for those business which have employees and need to keep track of holidays and sick leave. Both program will also print an *Employment Summary* (or Group Certificate) for each employee at the end of the year. If you use the Plus version for payroll then you will have to get a new version when the tax scales change. There will be major changes to the tax scales on 1 July because the Flood Levy is to be removed and the tax-free threshold rises from \$6,000 to \$18,000.
- **Multi-User:** this version has everything that the Plus version has, and can also be used by more than one user at a time.

Further Information

QuickBooks www.quicken.com.au

MYOB www.myob.com.au