

# PRACTICAL ADVICE FOR COMPANIES WHO HAVE OUTGROWN QUICKBOOKS EXECUTIVE SUMMARY

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## INTRODUCTION

QuickBooks is the world's most popular small business accounting system with a reported 3.5 million users. There is no denying the success of this product. For the money, QuickBooks provides a good value and a reasonable assortment of features to meet the needs of small and entry level businesses. While QuickBooks offers a good entry-level solution, it has limitations that prevent the product from meeting the needs of many companies and organizations – especially growing companies and larger organizations. Specifically, QuickBooks is missing more than a thousand features compared to most mid-range solutions and the QuickBooks database slows down dramatically as the volume of transactions and master record lists increase.

These QuickBooks limitations should not be viewed as product weaknesses because they actually help QuickBooks succeed in its targeted environment. It stands to reason that because QuickBooks has fewer features, the product is easier to use. If hundreds of additional features were added to QuickBooks, the complexity of the product would increase and the user would experience more difficulties learning and using the product. Ultimately this added complexity would catapult QuickBooks right out of the target market of companies looking for an easy-to-use solution. Likewise, if QuickBooks incorporated a more robust database (such as Microsoft SQL Server), then the pricing of the product would increase, once again effectively pricing QuickBooks out of the target market. By design, these two limitations serve a key role in keeping QuickBooks easy to use and affordable. The result is that QuickBooks provides a decent solution for smaller companies; however the drawback is that growing companies will eventually outgrow the database performance and feature set offered by QuickBooks.

## DETERMINING WHEN YOU'VE OUTGROWN QUICKBOOKS

As a general rule, you are beginning to outgrow QuickBooks when you notice an unacceptable delay in the menus and screens when navigating QuickBooks, or when reports take an unacceptable amount of time to print. As a general rule, most companies using QuickBooks start to notice a decline in QuickBooks performance once the file size reaches 30MB<sup>(1)</sup> or the total number of transactions exceeds 32,000<sup>(1)</sup>. However, while these measures can be good predictors of performance issues, file size and transaction volume are not the best indicators of impending performance problems. In QuickBooks, the number of customers, vendors, employees and other lists most dramatically affect performance. QuickBooks support acknowledges that significant performance problems generally occur when any list exceeds 10,000 – however, as a practical matter most companies see performance issues far earlier. For example, with each added employee, QuickBooks launches slower, and only a few hundred employees on a list can lead to unacceptable performance issues.

## SQUEEZING THE LAST FEW DROPS OUT OF QUICKBOOKS

Once you have determined that you are quickly outgrowing QuickBooks, there are a few measures that you can take to temporarily relieve the problem until a new accounting system can be selected and implemented. For a complete list of suggestions, request the full copy of this report at [www.asmartmove.com](http://www.asmartmove.com).

1. **Update** - Update your QuickBooks software to reflect the latest patches and tune up files. In 2007 Intuit released several patches that addressed some nagging performance issues with certain portions of their program. The installation of these patches and updates might alleviate your problems, or at least help.
2. **Turn Off Beep and Preferences** - Turn off the “Beep on Transaction Entry” feature. According to QuickBooks Customer Support, the “Beep” feature can cause dramatic performance problems and even lead to freezing up QuickBooks. Also, you can turn off certain QuickBooks preferences such as alerts, reminders, auto refresh reports, and check for duplicate numbers, etc. to gain a little more speed.
3. **Defragment the computer hard drive** - Initially, your computer saves all data sequentially on your hard drive – like using a single groove on a vinyl record item. However, over time as you erase small files from your hard drive, empty segments are created through the hard drive. Thereafter, QuickBooks saves data files on these separate empty segments, causing the file to be fragmented and physically located on numerous parts of your hard drive. The defragmentation process will rewrite your QuickBooks data file into one sequential file on your hard drive. The result is that QuickBooks will then operate faster.

If you have reached the point in which you are outgrowing the database performance and/or feature set offered by QuickBooks, that’s probably good news – because that means that your business is growing. The measures listed above can help you buy some time, perhaps enough to allow you to properly plan for, purchase, and implement a new accounting system. Presented below is additional information to help you better understand your options.

## FROM QUICKBOOKS TO MICROSOFT DYNAMICS GP

The reality is that once you’ve started seeing performance and feature shortcomings in QuickBooks, this is a sure signal that your company is on the verge of outgrowing QuickBooks. The performance suggestions mentioned above will only delay the inevitable need to move to a stronger solution. One of the best migration upward paths offered to QuickBooks users is to step up to Microsoft Dynamics GP. There are numerous benefits to migrating from QuickBooks to Microsoft Dynamics GP. Presented below are just a few of those benefits. For the complete Top 10 list, request the full report at [www.asmartmove.com](http://www.asmartmove.com).

## 1. MORE FEATURES

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Microsoft Dynamics GP offers 1,531 more features than QuickBooks Enterprise (2,550 compared to 1,019 according to the 2007 edition of the Accounting Library). For example, listed below are 15 key features provided by Microsoft Dynamics GP that are not found in QuickBooks. To find out an additional 20 key features provided by Microsoft Dynamics GP, request the full report from at [www.asmartmove.com](http://www.asmartmove.com).

1. *Allocation calculations*
2. *Intercompany accounts*
3. *Statistical accounts*
4. *Supports landed cost tracking*
5. *Forecasted demand based on formulas*
6. *Multiple ship-to on same order*
7. *Automatic tracking of vendor performance*
8. *Partial pay invoice for partial receipt*
9. *Default printer destination by invoice type*
10. *Automatic calculation of late fees*
11. *Supports multi-dimensional items*
12. *LIFO and FIFO inventory methods*
13. *Applies sales tax rates by item*
14. *Support multiple warehouses*
15. *Lot & Serial number tracking*

## 2. BETTER FINANCIAL REPORTING

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The whole point of an accounting system is financial reporting and Microsoft Dynamics GP offers far more reports (700+ standard reports) than QuickBooks (112 standard reports). While both Microsoft Dynamics GP and QuickBooks allow users to edit reports and send them to excel or Word, only Microsoft Dynamics GP allows users to view reports in real-time through an integrated intranet business portal. Further, Microsoft Dynamics GP provides more than 200 out of the box Excel reports that contain an active ODBC link to the Microsoft Dynamics GP database, ensuring data is never out of date whenever the Excel file/report is opened. Microsoft Dynamics GP also provides over 70 standard SRS reports based on SQL Server Query technology.

Microsoft Dynamics GP's FRx advanced financial reporting tool allows users to schedule reports to be printed automatically at regular intervals, and automatically delivered to the appropriate recipients via e-mail or publishing to a business portal web site. This feature ensures that the desired reports are generated and delivered on time, every time automatically without any effort required by the bookkeepers. Using the FRx tool, users can create entire booklets of reports including title pages, cover letters, table of contents, reports, logos, charts, graphs, and graphic images- and thereafter, FRx will generate and deliver these booklets automatically incorporating the latest data into the booklet of reports.

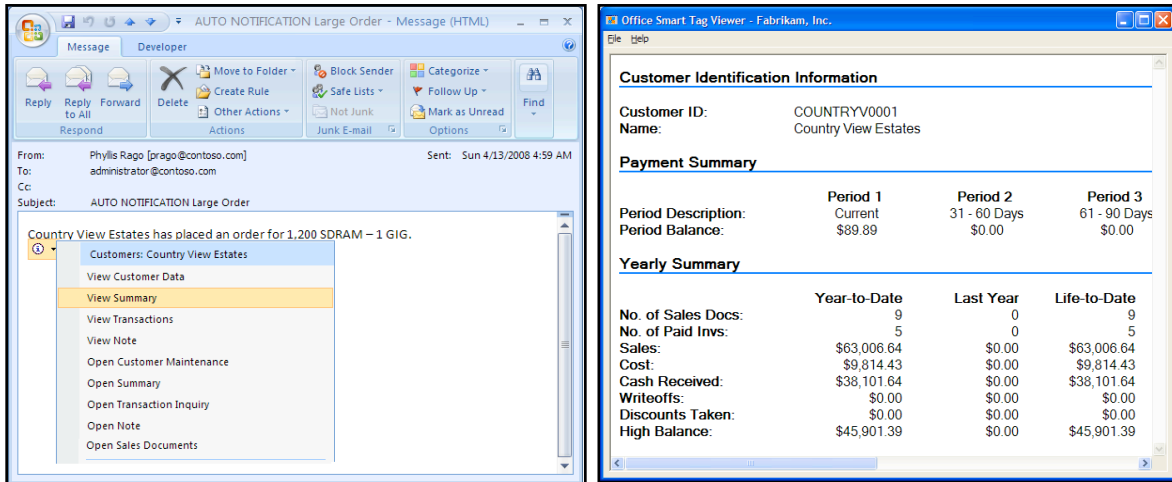
## 3. OFFICE INTEGRATION

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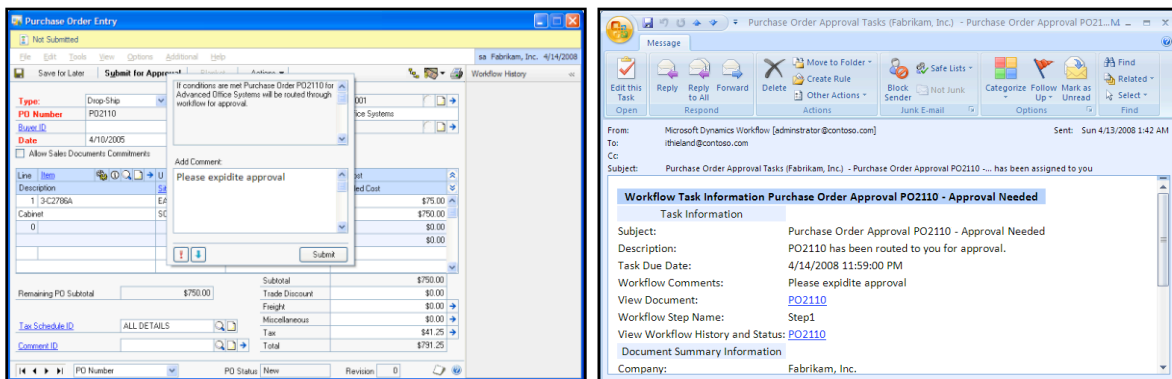
Both QuickBooks and Microsoft Dynamics GP offer a wide variety of Microsoft Office integration features such as the following:

1. Export reports directly to Microsoft Excel (with built-in formulas) or Microsoft Word.
2. E-mail reports and documents directly through Microsoft Outlook.
3. Use ODBC drivers to link data directly to Microsoft Excel and Microsoft Access.
4. Integrate Outlook Calendar to time and billing system.

However, Microsoft Dynamics GP provides additional advanced Office Integration features via SmartTags and Workflow. The first screen below shows how an email message in Outlook has automatically hyperlinked specific words in the email as being records saved in Microsoft Dynamics GP. By pausing over the customer name in the email, the SmartTag menu allows users to drill directly into information saved within Microsoft Dynamics GP (illustrated by the second screen below). SmartTags give users within Outlook, Word, or Excel the ability to view information from Microsoft Dynamics GP all without having to enter the application and manually look up the data.



The Microsoft Dynamics GP Workflow functionality enables users to create business rules for routing and escalating documents to the appropriate personnel for approval. The first screen shown below depicts the creation of a business rule in which all purchase orders exceeding a predetermined amount are automatically escalated for approval. As a result, the second screen displays the subsequent routing of an e-mail to the appropriate supervisor for approval.



## CONCLUSION

In conclusion, while QuickBooks is a good entry-level product, its database shortcomings and lack of features make it possible for companies to quickly outgrow QuickBooks. When your business needs change and you are looking outside the Intuit family of products, you may wish to consider Microsoft Dynamics GP. Microsoft Dynamics GP offers competitive pricing, support, conversion tools and product designed to help QuickBooks users step up to a more powerful business management system that will meet your needs for many years to come.

To obtain the full version of this report, visit [www.asmartmove.com](http://www.asmartmove.com) and request the QuickBooks Replacers Kit.

## END NOTES

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1. **Disclosures** – This report was prepared at the request of Microsoft Corporation, and the author was compensated for this effort. Therefore please be duly advised that the author was not independent in the preparation of this document.
2. **Disclaimers** – This paper is presented as the author’s opinion, and not as fact. While it is believed to be accurate, the products discussed in this report are complex systems containing thousands of features, the presence or absence of which can be open to subjective interpretation. The author concedes that there may be features and functionality that were overlooked or not fully considered in this review. There also may be simple “work around” procedures or clever tricks that can be employed that were not considered, and there may be third party add-on applications that were not considered that compensate for various missing features for all products. We strongly recommend that you confirm any and all data contained herein with another source before relying on it.
3. **Nick Names** – For expediency, we referred to some of the products in this report using their nicknames, and not the full product names. The practice of referring to these products by their nickname is common in the industry. Presented below are the full proper product names, parent company names, and headquarter locations for each product mentioned in this report: Microsoft Dynamics GP, Microsoft Corporation, Redmond, WA; QuickBooks, Intuit, Inc., Mountain View, CA
4. **Trademark Notices** – Microsoft Dynamics GP, QuickBooks, QuickBooks Pro, QuickBooks Premier, QuickBooks Enterprise, Microsoft Excel, FRx, and The Accounting Library are registered trademarks for their respective corporations.
5. **About the Author** - J. Carlton Collins, CPA, the author of the original report, admires QuickBooks. He has personally used Quicken/QuickBooks to run his business for the past 18 years and he still uses QuickBooks today. He has presented more than 200 live, full-day QuickBooks courses over the past twelve years and he continues to present similar courses today. He has authored many articles featuring QuickBooks, including a top-rated article which appeared in the March, 2006 issue of the Journal of Accountancy. He has provided consulting services and advice to Intuit Corporation on numerous occasions during the past fifteen years.

Mr. Collins also admires Microsoft Dynamics GP. He was a Microsoft Dynamics GP reseller from 1989 to 1992 and he has delivered numerous lectures at the annual Microsoft Dynamics GP conference. He has also presented more than 500 live, full-day accounting system courses over the past twenty years featuring Microsoft Dynamics GP (in part), and he continues to present those courses today. He has authored numerous articles featuring Microsoft Dynamics GP and has provided consulting services and advice to Microsoft Dynamics GP software and Microsoft Corporation on many occasions during the past fifteen years.