

Comparison of Two Popular Accounting Software Packages for Small and Medium Enterprises

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Introduction

The rapid growth of computer technologies over the last decade has made the computerisation of operations essential for almost all organisations. A computerised financial accounting system can help ensure maximum efficiency and effectiveness in recording accounting transactions.

Small businesses depend on customised business accounting software. Since most of these businesses carry out small-scale operations, it is usually not cost-effective for them to pay for the development of a tailor-made system or a modified system.

Nowadays small business accounting software packages are relatively easy to use and cover a wide variety of complex options. Years ago small business accounting software was not popular as the small businesses were not as well-structured as the contemporary packages. One reason for this was because there were too few small businesses to make the manufacture of small business accounting software profitable.

In Hong Kong there are now over 268,000 small and medium enterprises (SMEs), representing about 98% of all local enterprises. Each SME employs less than 50 staff. With this critical mass, both the development and trading of small business accounting software have become profitable for software manufacturers.

There are over 500 business accounting software packages in the market. The choice of an appropriate package is therefore a major concern for the effective and efficient running of SMEs.

Selection of an Accounting Software Package

Accounting software packages for SMEs should be able to record basic financial transactions, such as the general ledger, accounts receivable, accounts payable, and payroll. Users should be able to generate and print quotes, sales



orders, purchase orders, cheques, and customisable as well as professional-looking reports. For ease of reference, both printed and online documentation should be provided. The software also needs to support multiple users at different security levels, import and export accounting data in several formats, and help users to transmit data over the company network and the Internet. Depending on the nature of the users' business, users may also need to make direct deposits and e-commerce payments or to set up a web store.

Evaluation of DacEasy and MYOB

DacEasy and MYOB are two popular accounting software packages used by Hong Kong SMEs. DacEasy comprises four basic sections: Accounts Receivable, Accounts Payable, Inventory, and Payroll. MYOB consists of similar sections and enables the construction of a wide variety of financial reports.

IT professionals, such as those at TopTen Reviews (<http://accounting-software-review.toptenreviews.com>), have conducted studies on DacEasy and MYOB based on an analysis of ease of use, cost and scalability, help documentation, accounts receivable, accounts payable, payroll, inventory, time billing, general ledger, reporting options and integration with other software.

Ease of Use

Ease of use is a fundamental concern when it comes to accounting software as SMEs have little resources to spare for software training. DacEasy is easy to operate; users can navigate from section to section through the middle of the screen. Users can select as many or as few of the tool bars to be visible as they like. However, toolbar icons are not conveniently designed as DacEasy does not include small descriptions permanently shown on each icon. On the other hand, MYOB's structure is intuitive; the on-screen commands make it easy to find every accounting item. Users can follow the systematic instructions that map out each accounting task. This helps financial management, especially for beginners who do not understand every step in each task. It is easy to install MYOB. In addition the navigation bar provides quick access to common tools from any section in the programme.

Cost and Scalability

One of the major differences between the many basic accounting packages that users can buy for several thousand dollars, and a mid-market accounting application that might cost tens of thousands of dollars, is scalability. This refers to the number of simultaneous users that can operate the software or the number of accounts and locations that can be supported by the software. DacEasy and MYOB both sell a single-user version and networked multiple-users version of their software. There is not a significant difference in price between the two packages. DacEasy (single-user version) costs \$3,000 while the equivalent MYOB package costs \$3,650. The cost of an additional user license is proportionally scaled.

Help Documentation

Both DacEasy and MYOB provide printed and online help documents. A built-in search tool in DacEasy helps users find the correct location in the index. The help menu at the top of each screen offers several options in the context of that screen. MYOB has a quick access button attached to every screen, so users can find topics easily.

Accounts Receivable

The DacEasy section supporting accounts receivable is called Customers. Sub-categories are Order Entry, Invoicing, Point of Sale, Forms, Banking, and Periodic. Users cannot send invoices by e-mail or create estimates for items to be shipped. Users can, however, manage customer lists, make invoices, and create backorders.

MYOB Accounts Receivable enables users to manage their income and handle finance charge calculations for customers easily. However, the programme does not provide shipping tools, so users cannot estimate shipping costs or track shipments.

Accounts Payable

DacEasy possesses several Accounts Payable tools under the Vendor section. Sub-categories include Vendors, Purchasing, Forms, Banking, and Periodic. Users can process basic purchase orders and quotes, print cheques, and manage vendors. Customisation of purchase orders, quotes and vendor cheques is not available.

MYOB users can enter purchases, pay bills, and support electronic payments. Users can also print cheques, tax forms, and purchase orders. The only tool which users cannot obtain is the creation of vendor credit memos.

Payroll

The DacEasy Payroll sub-categories include Employees, Management, Tax Deposit, Month, Quarter, and Year-End. Users can administer the payroll, enter time-tracking accounts, and set up direct deposits for employees.

MYOB possesses several options to administer payroll, including direct deposit capabilities. One tool not found is the specification of an employee's status as active or inactive.

Inventory

The DacEasy Inventory sub-categories include Inventory, Reports, Assembly, Corrections, and Periodic. Inventory enables users to update products and services, track items by number, adjust inventory, and group items for assembly. DacEasy enables users to cost inventory items using the LIFO, standard or average-cost methods. However, this section does not specify a storage location and does not allow users to include descriptions of items.

In MYOB, Inventory allows users to obtain average costs and adjust item prices. Users can specify storage locations and search for items based on the Item Numbers. However, users cannot make drop shipments for products not in stock, and they cannot choose to specify whether the costing method is FIFO or LIFO: the average-cost method is the only costing system available.

Time Billing

DacEasy does not provide a time billing option, but users can enter time billing data into the Payroll Section, and a one-time billing report is available. With MYOB's Time Billing, users can set the billing time (other than weekly time billing) with reference to different credit terms.

General Ledger

The DacEasy General Ledger enables users to import items directly and the programme adds recurring entries for users. Using the Periodic Section of the General Ledger, users can specify the period end and the year end. Users can print out the trial balance, balance sheet, cash flow, and general ledger activity report. MYOB does not list the general ledger as one of its categories, but the programme possesses features similar to a general ledger in the Accounts Section.

Reporting Options

MYOB is flexible and can be used to produce over 190 types of report. It helps to capture and present company, employee, customer, and vendor information. DacEasy is less versatile in report generation; it can produce over 50 types of report.

Integration with Other Software

One user concern is the provision of supporting services for the software. These include e-commerce links to the financial accounting system, integration with other applications like Microsoft Office, and support for Adobe's PDF portable document format, so that reports and invoices can be sent by e-mail. The DacEasy General Ledger facilitates the import of accounting items. MYOB enables the import and export of data and information from and to other software packages.

Concluding Remarks

On the whole, both DacEasy and MYOB are capable accounting software packages. The former software can meet the accounting needs of a small business. The latter is user-friendly as it facilitates the production of a wide variety of financial reports.

The cost of implementing an accounting package is not just the cost of purchasing the software, purchasing an upgrade, or installing compatible hardware, but is also about how well the product works and how well it meets users' specific needs. Before making a final decision on which accounting package to use, users should conduct an in-depth evaluation based on the features considered above. Although selecting software is a time-consuming task, the time saved in future productivity warrants the efforts spent on the decision-making process.



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