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Lisa McCarthy's
Accounting Resource
is on the front lines

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Small Business WARS

Microsoft is trying to get a foothold in the low-end market.

By Robert W. Scott

Despite what many in the industry say about accountants influencing their clients' purchasing decisions, when it comes to low-cost accounting software, it often works the other way, says Lisa McCarthy.

"A lot of clients will run out and buy the software and tell their accountants about it after they have screwed it up," says McCarthy. Her firm, Accounting Resource, has been dealing with QuickBooks, Intuit's dominant low-end package, since about two weeks after it came onto the market in 1992.

What it gets down to is that the process of using entry-level accounting software is a lot more than it looks at first glance. "Everybody thinks that it's so easy and that they can use it," says McCarthy, who continues that many users can't use QuickBooks and that such software can be "worse than paper" if it's not used properly.

McCarthy, along with her partner Christine Galli, wrote the course and tests for QuickBooks certification training in 1999.

One indication of the difficulty is that McCarthy says she tells small business owners that learning QuickBooks can be difficult for them "even if you've opened the box." That last statement is telling, because when QuickBooks first reached the market in 1999, Intuit said that an amazing number of businesses had purchased software and never opened the box because they were so intimidated.

The role of accountants is an important one, as the battle to sell financial packages to small businesses increases in intensity with Microsoft's recent launch of Small Business Accounting.

Microsoft is leaping into the market with the Microsoft Accountants Network, and claimed that, as of the September 7 product launch, 3,000 professionals had already joined. That program is in competition with the Sage Accountants Network, which has 8,000, and Intuit's ProAdvisor, with 29,000. Accountants are considered key allies in the effort to sell accounting packages.

But the question is, just how important are accountants in driving clients to a low-cost product, seeing as QuickBooks was embraced by users long before accountants jumped on the bandwagon?

In fact, in the early years, one side of Intuit boasted that businesses that used QuickBooks didn't need to hire CPAs, while the ProAdvisor side was trying to recruit CPAs.

McCarthy believes that users drive the process, and that they often switch accountants if their advisors don't support their accounting software.