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# CHOOSING THE RIGHT BOOKKEEPING SOFTWARE FOR YOUR BUSINESS

*A 1-Hour Webinar for Small Business Owners*

**Wendy K. Potratz, CPA, MBA**
**Professional Financial Consultant**
**Office of Business & Entrepreneurship**

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# Wendy Potratz

- *Small business owner & CPA*
- *Former university instructor*
- *Expertise in*
  - *analyzing financial statements*
  - *teaching financial acumen*
  - *providing small business consulting*

*Wendy thrives on collaboration, enjoys meeting with clients, and finds it rewarding to problem-solve together to reach creative solutions that make a lasting impact on the greater business community.*

*MBA & BBA Accounting — University of Wisconsin Oshkosh*


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# BEFORE YOU CLICK 'START FREE TRIAL'...

## The three biggest mistakes I see entrepreneurs make:

1

**Choosing by Default**

Picking software because a friend uses it — not because it fits the business.

2

**Setup Before Strategy**

Setting it up before understanding how the business actually operates.

3

**Setup and Forget**

Assuming the program will run on its own.  They end up with a tangle of numbers!

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# TODAY'S AGENDA

- Part 1: Understand Your Business First
- Part 2: What to Look For — The features that actually matter for your finances
- Part 3: Platform Comparison — QBO, Zoho Books, Wave, and more side by side

**Application of the first 3!**

- Part 4: Getting Started — First steps after you choose (if time allows)
- Q&A — Your questions answered

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# PART 1: UNDERSTAND YOUR BUSINESS FIRST

*Fit the software to your business – not your business to the software!*

# UNDERSTAND YOUR BUSINESS FIRST

**Instead of jumping into software, ask:**

- How does your business make money?
- Do you sell products or services?
- Will you invoice customers?
- Will you have employees?
- Do you need payroll?
- Do you need inventory?
- Do you work with grants?
- Do you need job costing?
- Do you sell online?

***Your accounting software should fit your business — not the other way around.***

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# PART 2: WHAT TO LOOK FOR

*The features that matter most when choosing financial software*

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Create a priority list!

# SEPARATE FEATURES INTO:

**Must Have**

- ☑ Bank feeds
- ☑ Income & expense tracking
- ☑ Tax-ready reports
- ☑ Invoicing
- ☑ Accountant access

**Nice to Have**

- + Payroll
- + Inventory
- + Budgeting
- + Time tracking
- + Projects
- + Multi-currency

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# KEY QUESTIONS TO ASK BEFORE YOU CHOOSE

- How many people need access — just you, or a bookkeeper/accountant too?
  - *This makes a difference in software… and also the level of that software*
- Do you connect to your bank, payment processor, or e-commerce platform?
  - *If you plan to use a POS (Point of Sale) app…..that will make a HUGE difference!*
- Do you need to invoice clients, track expenses, or both?
  - *Not all will invoice clients*
- Will you need payroll?
  - *Like the POS Systems, your answer to this will have a significant impact on your decision as to which software to select!*
- Will you need inventory or project tracking?
  - *The need for either of these attributes will drive the price up.*

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# PART 3: PLATFORM COMPARISON

*QBO, Zoho Books, Wave, and more — side by side*

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# TOP FINANCIAL PLATFORMS AT A GLANCE

| Platform | Key Strength |
|---|---|
| **QuickBooks Online (QBO)** | Most widely used, robust features, strong accountant support |
| **QuickBooks Simple Start** | Budget-friendly entry into the QBO ecosystem |
| **Zoho Books** | Affordable, full-featured, free plan under $50K revenue |
| **Wave** | Free accounting & invoicing; ideal for freelancers & micro-businesses |
| **FreshBooks** | Great invoicing, time tracking; popular with service businesses |
| **Xero** | Strong bank reconciliation & reporting; popular with accountants |



You can find all of this information online.

# SIDE-BY-SIDE SNAPSHOT OF ATTRIBUTES

| Criteria | Wave | FreshBooks | QBO | Xero | Zoho Books |
|---|---|---|---|---|---|
| **Ease of Use** | Easy | Easy | Moderate | Moderate | Moderate |
| **Invoicing** | Strong | Best | Good | Good | Good |
| **Reporting** | Basic | Basic | Best | Strong | Good |
| **Accountant-Friendly** | Limited | Good | Best | Strong | Good |
| **Best For** | Freelancers | Service biz | Growth | Service Biz | Value |

Again, good to know.... But you can find all of this information online.

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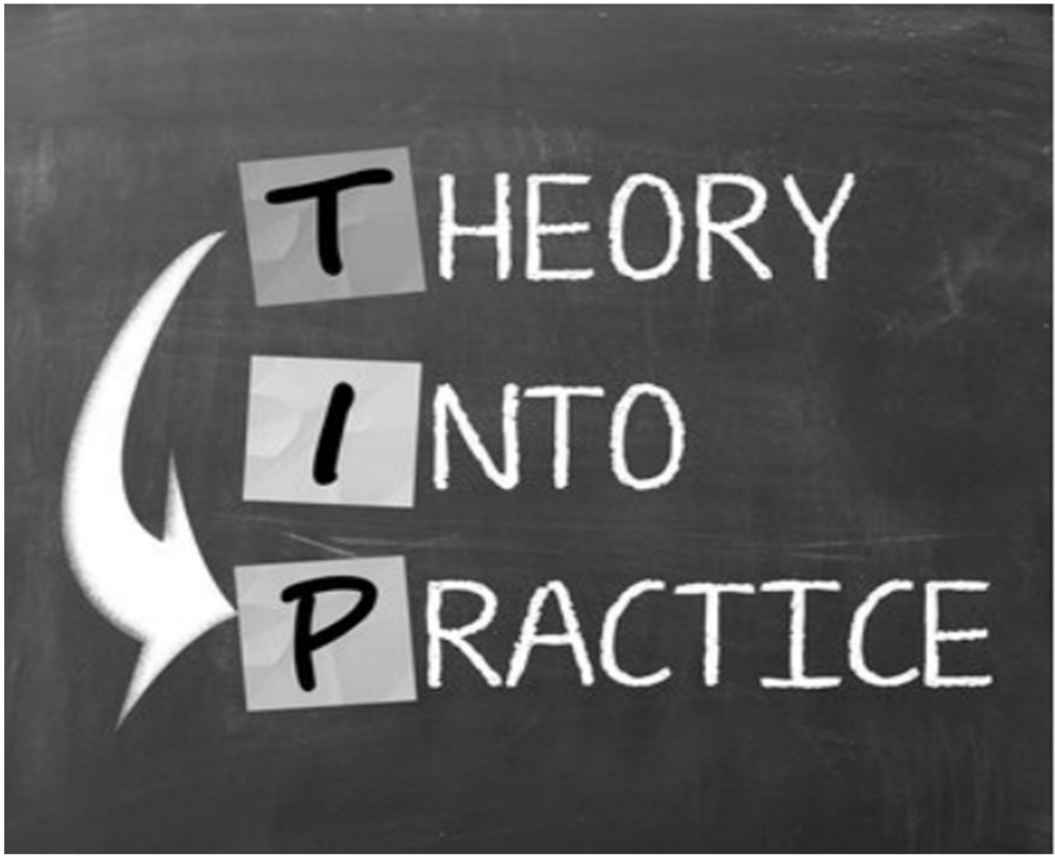
# WHICH PLATFORM FITS YOUR SITUATION?

| Situation | Recommended Platform |
|---|---|
| Solo freelancer / side hustle | Wave or Zoho Books (free tier) |
| Tight budget, just starting out | Wave or Zoho Books (free plan) |
| Service-based business | FreshBooks or QBO Simple Start |
| Product-based / retail | QBO Essentials or Plus (inventory) |
| Growing business with employees | QBO + Payroll or Gusto integration |
| Working closely with an accountant | QBO or Xero |

Now we’re getting somewhere!!

# ENOUGH FOUNDATION MATERIAL!

LET'S PUT THIS INTO PRACTICE!



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# FOUR-STEP FRAMEWORK

1. Understand the Business – How does it make money?
2. Identify the Must-Haves – Which features are truly required?
3. Think About Tomorrow – Where does the owner want the business to be in 3–5 years?
4. Make the Recommendation – Choose the platform and understand *why*.

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# MEET EMMA LARSON - OWNER, CLEVER QUIPS LLC

💡 Emma has always loved writing clever, witty sayings. Friends keep telling her, *"You should sell those!"*

So she decides to start an online business selling:

- ☕ Coffee mugs
- 👕 T-shirts
- 👜 Tote bags
- 🧥 Sweatshirts
- 🏷️ Stickers

Uses Shopify with its print-on-demand component.

# BEFORE I RECOMMEND SOFTWARE...

## Let's ask some questions!

| Question | Emma's Answer |
| --- | --- |
| How do customers buy? | Shopify website |
| Employees? | Just Emma |
| Payroll? | No |
| Inventory? | No (Print-on-Demand) |
| Physical Store? | No |
| Invoices? | No |
| Expected Sales | $42,000 |
| Growth Goal | *This is the million dollar question!* |

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# LET'S IDENTIFY EMMA'S MUST HAVES

| Feature | Needed? |
|---|---|
| Bank Feed | ✅ |
| Income Tracking | ✅ |
| Expense Tracking | ✅ |
| Payroll | ❌ |
| Inventory | ❌ |
| Job Costing | ❌ |
| Multiple Users | ❌ |
| Accountant Access | ✅ |

# WHICH PLATFORM SHOULD EMMA SELECT?

- ❑Wave
- ❑Zoho Books
- ❑QBO Simple Start

# WAVE

PROS
- FREE
- Simple
- Great reports
- Bank feeds
- Perfectly adequate

Cons
- Limited integrations
- Not ideal if business grows
- May eventually outgrow it

**My Recommendation:** ***If Emma thinks this will always be a side hustle making $40,000 a year...I'd be perfectly comfortable recommending Wave.***

# ZOHO BOOKS

PROS
- Free under revenue limits
- Excellent automation
- Nice customer portal
- Scales better than Wave
- Better workflow

Cons
- Smaller accountant community
- Fewer third-party advisors
- App integration more difficult than QuickBooks

**My Recommendation: If Emma is a technology enthusiast and likes automation, Zoho Books is a terrific choice.**

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# QBO SIMPLE START

PROS

- Largest platform and levels of service
- Excellent accountant support
- Easy payroll later
- Excellent reporting
- Can add apps
- Easy upgrade path

Cons

- Monthly subscription
- More than she needs today

**This is where many people make the wrong decision!**

**If QBO has more features…it must be better.**

**Not necessarily. Sometimes…Simple is better.**

# FOUR-STEP FRAMEWORK

1. Understand the Business – How does it make money?
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# MY ULTIMATE RECOMMENDATION FOCUSES ON THIS QUESTION

I would ask Emma: “Where do you want this business to be in three years?

- If Emma answers: "I just want a fun side hustle.”
  - I'd recommend Wave or Zoho Books.

- If Emma answers: "I think this might become my full-time business.”
- That changes everything!
  - I'd recommend QBO Simple Start.
  - NOT because she needs it today…Because she wants it tomorrow.

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Same business….Different Answer!

# THE LESSON

- The software didn't change.
- The entrepreneur's vision changed.
- And that changed the recommendation.

**The answer isn't...**
"What is the best bookkeeping software?"

**The answer is...**
**"What software best fits where your business is going?"**

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# FOUR-STEP FRAMEWORK

1. Understand the Business – How does it make money?
2. Identify the Must-Haves – Which features are truly required?
3. Think About Tomorrow – Where does the owner want the business to be in 3–5 years?
4. Make the Recommendation – Choose the platform and understand *why*.

**Lot's of repetition of this.... because it is so important!!**

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# UNDERSTANDING YOUR BUDGET

## What each platform actually costs, tier by tier

***Fewer features*** ***More features***

| FREE | ENTRY-LEVEL | MID-RANGE | FULL-FEATURED |
|---|---|---|---|
| **$0/month** | **$0–$20/month** | **$25–$60/month** | **$60–$100+/month** |
| Wave — free accounting & invoicing | Zoho Books, FreshBooks Lite | QBO Simple Start or Essentials | QBO Plus/Advanced, Zoho Premium |

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# FREE VS. PAID: WHAT YOU ACTUALLY GET

| Platform | Free Tier | Paid Plan (From) |
|---|---|---|
| **Wave** | Unlimited invoicing, expense tracking, receipt scanning, bank sync | Payroll & payment processing only — accounting stays free |
| **Zoho Books** | Up to 1,000 invoices/yr, 2 users, core features. Not great with apps | Standard ~$20/mo — more users, advanced reports |
| **QuickBooks Online** | — | Simple Start ~$35/mo. 1 user + accountant. Allows for payroll and outside app additions |
| **FreshBooks** | — | Lite ~$19/mo. primarily functions as an invoicing and time-tracking tool |

Tip: Sometimes 'Free' isn't worth it!!

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# UNDERSTANDING YOUR BUDGET

## Beyond the monthly fee — what else to plan for

1. **Payroll**
   Add payroll processing if you have employees on staff.
2. **Payment Processing Fees**
   Card and online payment fees add up beyond the base subscription.
3. **Accountant Time**
   Budget for bookkeeping or CPA support, even with great software.

TIP ***Start with the lowest plan that meets your must-haves within the software platform you select — you can always upgrade.***

TIP ***But beware of changing software platforms!***

# PART 4: GETTING STARTED

*First steps to take once you've selected the software*

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# BEFORE ENTERING A SINGLE TRANSACTION:

- ☑ Open a business bank account
- ☑ Decide how you'll pay yourself
- ☑ Create a clean Chart of Accounts
- ☑ Decide who will do the bookkeeping
- ☑ Connect bank feeds
- ☑ Decide how to handle owner-paid expenses
- ☑ Determine whether you need classes, locations, projects, etc.

# FINALLY INTO THE PROGRAM!

1. Connect the program to your business bank account(s)
2. Set up your chart of accounts — most platforms have a small-business template, but you should tailor to your business
3. Import or enter any outstanding invoices and unpaid bills
4. Categorize your first month of transactions to get comfortable, then reconcile your bank account
5. Run your first Profit & Loss report — even rough data is a valuable starting point

# TOP 10 SETUP MISTAKES I SEE

1. Mixing business and personal expenses
2. Waiting too long to get started recording
3. Poor Chart of Accounts
4. Not reconciling monthly
5. Recording loan proceeds as income
6. Recording loan payments as expenses
7. Recording owner contributions as revenue
8. No payroll plan
9. Ignoring the benefits of reports
10. Entering opening balances incorrectly

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# QUICK-START TIPS FOR FINANCIAL SUCCESS

## Five small habits that keep your books clean all year

- ✓ **Separate Your Finances**
  Open a business bank account from day one to keep personal and business apart.
- ✓ **Reconcile Monthly**
  Don't let your bank account pile up — reconcile it every month.
- ✓ **Review Weekly**
  Set aside even 20 minutes a week to check income and expenses.
- ✓ **Loop In Your Accountant Early**
  An early connection with your bookkeeper saves hours at tax time.

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# QUESTIONS? LET'S TALK!

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# MORE CONTENT

*IF TIME ALLOWS………*

# CAN I CHANGE MY MIND LATER?

**Yes — here's how easy (or not) each path is**

### Upgrading Within QBO

EASY

Self-service in Settings — minutes, and your data stays intact. Cost is just the plan price difference.

### Wave → QuickBooks Online

MODERATE

Manual CSV export/import for lists; reconciled history and payroll usually don't transfer. Days to a few weeks.

### Migrating From Excel

MODERATE

No formal export — lists and balances are entered manually at a clean cutover date. Time-intensive, not technical.

### Switching From Zoho Books

INVOLVED

CSV import handles current lists and balances; full transaction history usually needs a paid conversion service.

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# CAN I CHANGE MY MIND LATER?

## What switching later really costs you

1. **Time & Retraining**
   Learning a new system and rebuilding habits takes real hours — for you and any staff.

2. **Data Gaps**
   Reconciled history, payroll records, and custom reports rarely move over cleanly.

3. **Migration Fees**
   Complex switches often call for a paid conversion service, typically a few hundred dollars.

4. **Disruption Risk**
   Running two systems during cutover can cause double entry or missed transactions.

TIP ***Pick a clean cutover date — start of a month, quarter, or fiscal year — to make any future switch far less painful.***

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# BEYOND THIS WEBINAR

- Selecting a Payroll Option


- Selecting a POS app

## Choosing Your Payroll Platform: 3 Key Questions

### Ask yourself these first

- **Do you already use QuickBooks Online?**
  → QBO Payroll Core is the natural fit — data flows automatically, no re-entry
- **Starting fresh & want the easiest experience?**
  → Gusto — best onboarding, most transparent pricing, connects to almost every accounting platform
- **Tight budget or a niche business (farm, nonprofit, clergy)?**
  → OnPay — same price as Gusto, error-free tax guarantee, specialty compliance built in

## The most popular choices

- Gusto and OnPay are the top picks for businesses not already in the QuickBooks ecosystem
- Both offer transparent flat-rate pricing, auto tax filing in all 50 states, and unlimited payroll runs
- Gusto edges ahead on onboarding, benefits marketplace, and integrations (QBO, Xero, Wave, FreshBooks)
- OnPay edges ahead on customer support, niche compliance (farms, nonprofits, clergy), and simplicity of setup

# POS Systems at a glance:

- **Square**: best starting point — free plan, no contract, works for retail, food & services. Processing at 2.6% + $0.10 gets costly at high volume
- **Toast**: purpose-built for restaurants (kitchen displays, tip-sharing, ingredient tracking) but requires a 2-year contract and $800–$3,000+ in hardware — only commit once your concept is proven
- **Shopify POS** ($39+ e-comm + $89 POS Pro): best if you sell online and in-person — inventory and orders sync automatically
- **Gingr**: specialized for pet care businesses (grooming, boarding, daycare) — includes appointment scheduling, vaccination records & breed tracking alongside payments

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# Choosing Your POS System: The Right Question to Ask First

**Start here: what kind of business are you?**

- General retail, services, or food (starting out)? → Square — free plan, no contract, lowest risk to get started
- Processing high volume in-person & want lower rates? → Clover (buy direct) — negotiate your processing rate
- Full-service restaurant ready to invest? → Toast — but only after validating your concept; 2-year contract is a real commitment
- Selling both online and in your store? → Shopify POS — unified inventory and orders across channels
- High-SKU retail (clothing, hardware, hobby)? → Lightspeed — handles complex inventory better than anyone

# Choosing Your POS System: The Right Question to Ask First

## Key warnings for new owners

- Never buy Clover through your bank — resellers often add 50%+ markups and lock you into 3-year contracts with early termination fees
- Toast's "free" starter plan comes with higher processing rates (3.09% + $0.15) — run the math on your projected volume before choosing it
- Always check for an industry-specific platform first: Gingr (pet care), Lightspeed (complex retail), SpotOn (restaurants) can outperform general tools for the right business
- Tip: Calculate your total monthly cost = software fee + (avg transaction × processing rate) + hardware payment — not just the monthly software price