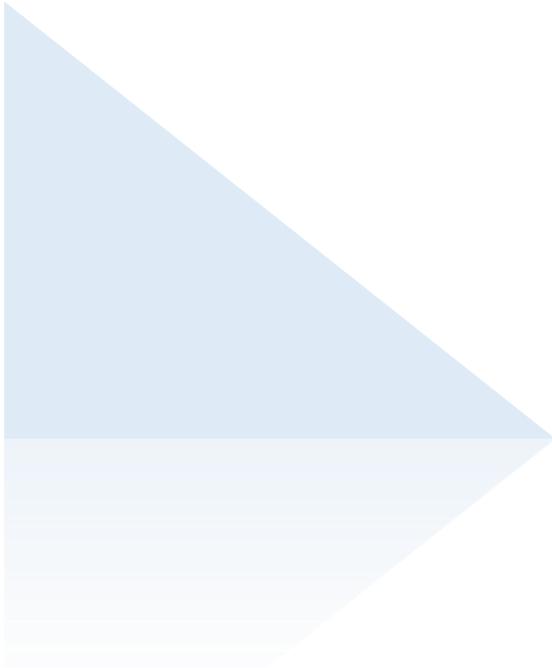


Small Business Experts

The Clearwater Advantage

Vol 1 | Monthly Newsletter | September 2019



Inside

I	Cloud Accounting	2
II	CPC Client Dashboard	7





How do I move to the cloud and what does it cost? Its **FREE** , see details on page 6

Cloud Accounting What it is, and why you need it....?

The term **cloud** is used as a metaphor for the Internet, based on the **cloud** drawing used in the past to represent the telephone network, and later to depict the Internet in computer network diagrams as an abstraction of the underlying infrastructure it represents. It means nothing.

Cloud computing / accounting software is an accounting software that is hosted on remote servers. It provides accounting capabilities to businesses in a fashion like the SaaS (Software as a Service) business model. Data is sent into "the cloud," where it is processed and returned to the user.

Traditionally, accounting was executed using software hosted locally on a desktop computer's hard drive (e.g., QuickBooks Desktop and others). Cloud accounting, on the other hand, is accounting that is executed using software that is hosted remotely on the cloud – i.e., online, secure, available on all devices, cheaper and faster.

Is the cloud secure?

Given the sensitivity of the data associated with cloud accounting applications (e.g., banking and financial data), security is a top concern in the cloud accounting space.

When compared to traditional desktop accounting software, which could be compromised if a company computer is stolen, lost, or damaged, cloud accounting software has many security advantages. Each cloud accounting solution should have its own security policy outlining how it protects sensitive data. Most solutions use state-of-the-art measures such as multi-factor authentication and encryption, ensuring sensitive data will remain secure.

Standard Definition of Cloud accounting and computing

In the simplest terms, cloud computing means storing and accessing data and programs over the Internet instead of your computer's hard drive. The cloud is just a metaphor for the Internet. It goes back to the days of flowcharts and presentations that would represent the gigantic server-farm infrastructure of the Internet as nothing but a puffy, white cumulus cloud, accepting connections and doling out information as it floats.

The cloud has disrupted and transformed many industries over the past several years, allowing businesses to operate more efficiently, cut costs, and amplify results.

Benefits of Cloud Accounting

The cloud accounting software landscape encompasses many solutions designed to serve several accounting/bookkeeping functions. For instance, QuickBooks Online is a cloud-based accounting software, which generates real time financial statements, dashboards, online payroll, real time inventory management, real time tax reporting etc.

Although benefits will vary between solutions, on a general level, some of the benefits of cloud accounting applications include the following:

- **The ability to automate many manual accounting and bookkeeping processes.** These automation capabilities enable accountants/bookkeepers and their clients to save time and increase efficiency, allowing them to spend more time on business growth.

- **The ability for data to be accessed regardless of location or device.** This facilitates remote services and “anytime” communication, which will help to build stronger relationships between an accountant/bookkeeper and their clients.
- **The ability for data to be updated in real-time.** Being able to access financial data and information quickly (i.e., in real time) will empower businesses to make informed decisions sooner rather than later.
- **The ability to easily scale to meet growing business needs.** Let’s say your business currently makes 0-100 transactions per month, but experiences rapid growth that causes this number to jump to 10,000+ transactions per month. Your cloud accounting software should be able to easily support this growth.
- **The ability to facilitate a paperless environment.** This will eliminate the need to physically store and manage paper documents, which is not only beneficial from a cost and office space perspective, but also for the environment.
- **The ability to provide automatic updates.** This will help to further improve the functionality of the application and better enforce security.
- **The ability to reduce costs.** Cloud-based software does not incur the costs associated with traditional software (including maintenance, upgrades, system administration, etc.).
- **The ability to integrate with other cloud solutions.** These integration capabilities will improve the efficiency and increase the power of your cloud accounting technology stack.

What kind of software do I need for cloud accounting and how much does it cost?

[Quickbooks Online](#) falls into the category of cloud accounting software.

However, a key benefit of cloud accounting applications is that you can build upon your accounting software stack to better suit your business needs and improve the efficiency of your workflows. For instance, there are [QuickBooks Online](#) compatible applications such as “Receipt Bank” that automatically fetches financial documents and extracts key data. When integrated with the QuickBooks Online platform above, the value of both your workflow and your general ledger software increases.

Cloud accounting software is most often available for purchase as a SaaS ([Software as a Service](#)) subscription model. The pricing of your cloud accounting software stack will vary based on the applications you need to meet your unique business needs. However [QuickBooks Online](#) in itself is sufficient for most core accounting functions.

What will happen if I don’t adopt cloud-based technologies?

The cloud is the future. Even if your on-premise accounting solution seems to function “just fine”, or if you’re diligent about managing your traditional processes, the world of accounting is inevitably changing, and it’s important for your business to keep up. The risk associated with maintaining old processes isn’t a question of capability – rather, it’s a question of whether you want to grow your business and maintain a competitive edge.

Change can be difficult, but if the potential business benefits outweigh the costs, then it's worth your consideration. As daunting as a transition to the cloud might seem, don't be intimidated – our team will be happy to answer any of your questions and help to make the transition as easy as possible!

What would happen if my business does not move to the Cloud

The question to be asked here is how much would I continue to lose, also how? and what is the value of those losses.

There is no black or white answer to quantify the move in CAN\$ dollar terms, as the size of sales volume, expense base, fixed overheads etc. will define the impact, if we took a small business with revenues between \$100,000- \$150,000, and applied assumed numbers against it, you would roughly have the following ball park numbers:

Factors	Description	Monthly Cost CAN\$	Annual Cost CAN\$
1	Cost of Cloud Expert Accountant and Software	700	8,400
2	Losses & Inefficiencies not tracked as a result of not generating and tracking monthly Financial Statements	(200)	(2,400)
3	Inhouse Data Security maintenance	(300)	(3,600)
4	Desktop Software cost	(100)	(1,200)
5	Desktop Accountant Fee or owners own time maintaining accounting software	(400)	(4,800)
6	Tracking & detecting losses, frauds and stolen money or inventory as a result of real time information generation and monthly analysis by a cloud expert accountant	(300)	(3,600)
7	Cost of recovering data if the office server, laptop or desktop crashes/malfunction's		(7,000)
8	Benefits of Proactive decision making based on monthly results and on going planning.	(1000)	(12,000)
	Total		(34,600)

As mentioned earlier these are rough numbers to guide you on the approximate immediate impact of not moving to the latest technology, you can put your own number and will notice the benefits outweigh the cost by a minimum of 100%-400% plus.

How do I move to the cloud and what does it cost ? Its **FREE**

Yes you read that right, when you join Clearwater Professional Accountants as our monthly Bookkeeping client we help you to ensure a smooth transition i.e if you not already using **QuickBooks Online** or are new business. The following steps would further clarify the steps involved:

a. Software Purchase and Installation

FREE! We buy and implement the license for QuickBooks **FREE** of charge.

b. Data Conversion

FREE , we port / move data from your existing system (also know as legacy) system without any charge or work on your behalf .

Legacy systems usually involve Desktop accounting applications.



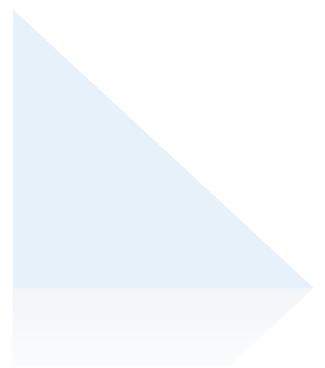
CLEARWATER PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANTS



II Our Client Dashboard

Our core product that helps our clients grow rich and sleep peacefully is the CPC Client Dashboard.

You receive the dashboard through a dedicated secure portal for **FREE** every month when you become our monthly bookkeeping client.



Our Client Dashboard covers your businesses key Compliance , Regulatory and Financial Reporting & Analysis Status . The topics covered are :

Corporate Income Tax Status

Personal Income Tax Status

Harmonized Sales Tax (HST) Status

CRA Payments & receipts

CRA Unread Emails Status

Payroll Status CRA

Corporate Account Details CRA

Investment Income Returns Status

Personal Other Income

Financial Statement Analysis

Profit & Loss Statement

[Sales Analysis](#)

[Cost of sales analysis](#)

[Fixed expense analysis](#)

[Variable expense analysis](#)

[Key ratio analysis](#)

Balance Sheet

[Asset & Liabilities analysis](#)

[Key ratio analysis](#)

Cash Flow

Projected Year End Position

Sales & Marketing Goal Analysis

CPC Billing Status

Bank & Credit Card reconciliation



Client Dashboard

July 31st, 2019- Maxine's Restaurant Inc

