Software Advice BuyerView: Accounting Software Report

Insight into today's software buyer
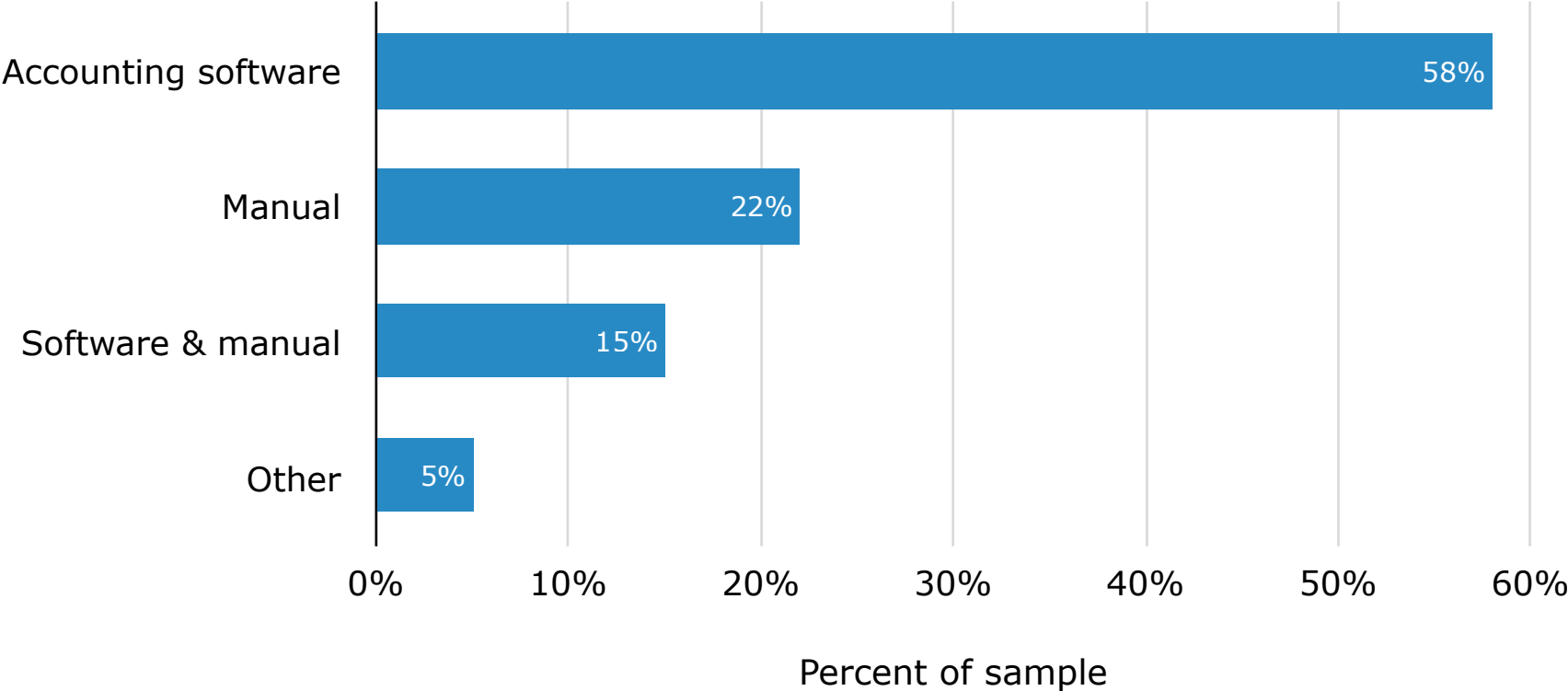
Software Advice™

Abstract

The success of any business is contingent on the ability to accurately measure and manage finances. Every year, thousands of prospective accounting software buyers contact Software Advice in search of a system to help them with this task.

To learn what buyers are looking for in new solutions and to determine significant market trends, we examined a subset of this data to find out:
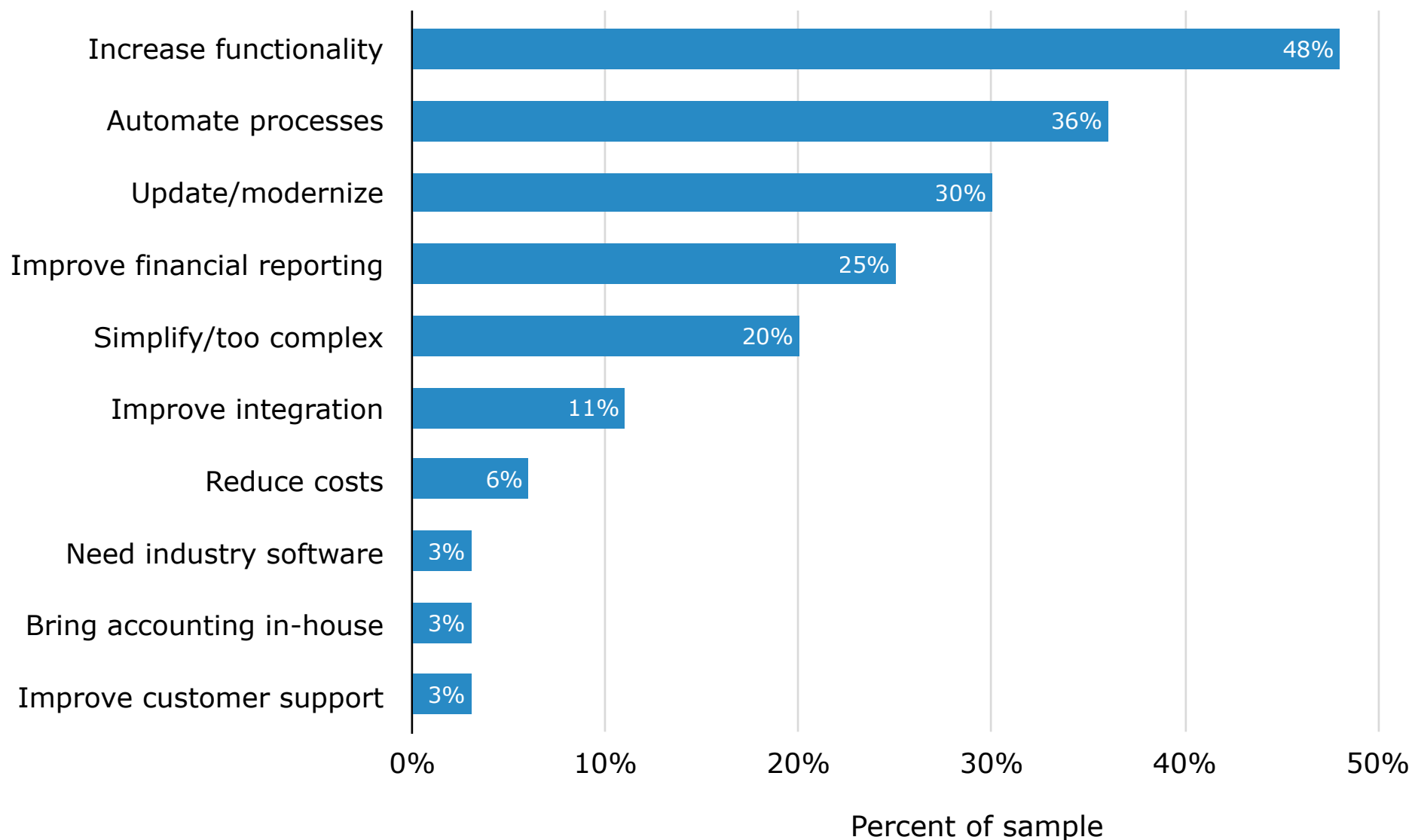
- How are businesses currently managing their finances?

- Why are businesses looking to purchase new accounting software?

- What features are businesses most concerned with having in new solutions?

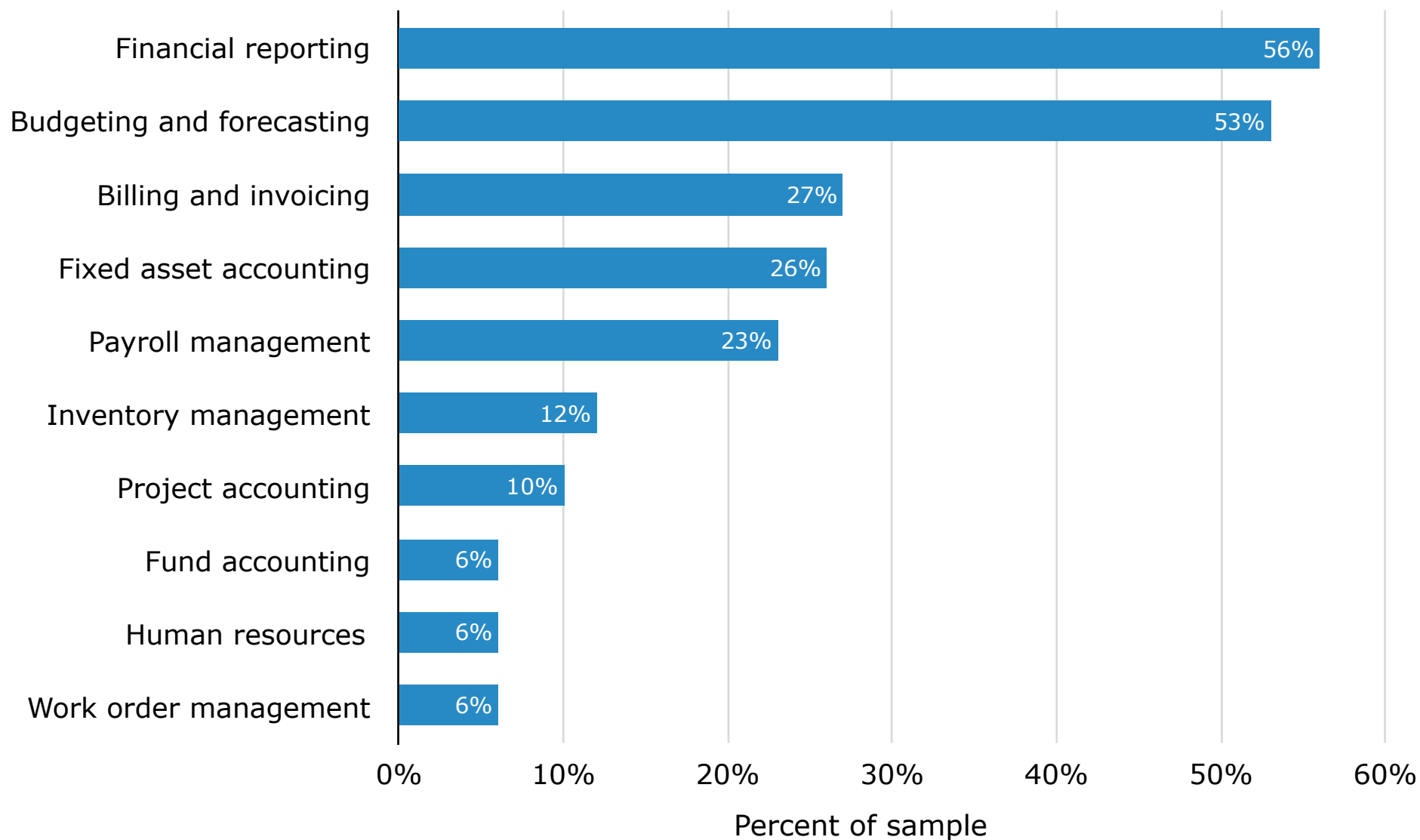# 22 Percent of Buyers Currently Use Manual Methods

While 58 percent of buyers are looking to replace their current system, nearly a quarter are first-time buyers transitioning from manual methods to software.

Buyers Want Software with Greater Functionality

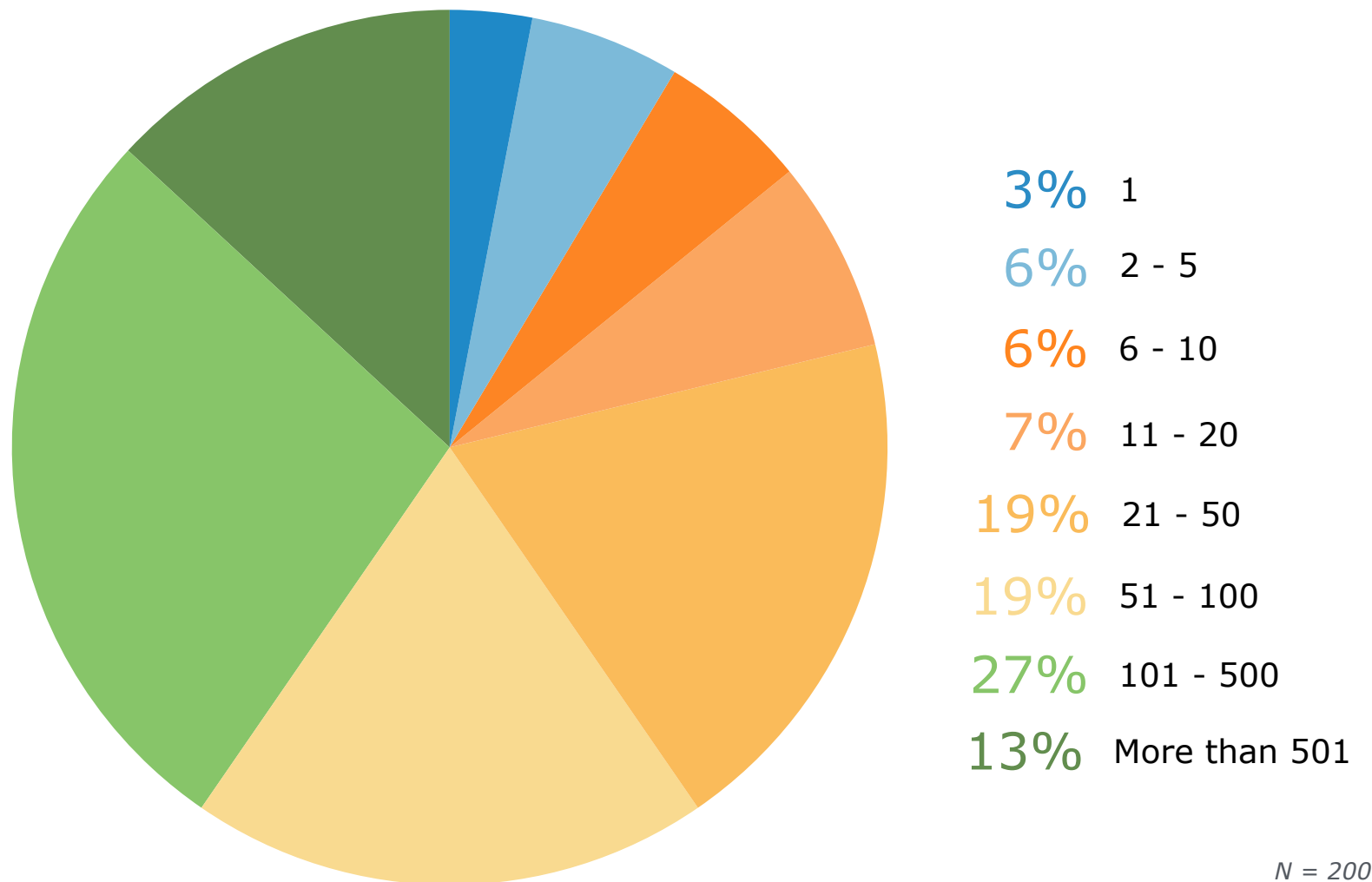| Category	Percent
Increase functionality	48%
Automate processes	36%
Update/modernize	30%
Improve financial reporting	25%
Simplify/too complex	20%
Improve integration	11%
Reduce costs	6%
Need industry software	3%
Bring accounting in-house	3%
Improve customer support	3%

Percent of sample

The top reasons that buyers are evaluating new software are to find systems with greater functionality and more automated processes.

Buyers Most Often Request Financial Reporting

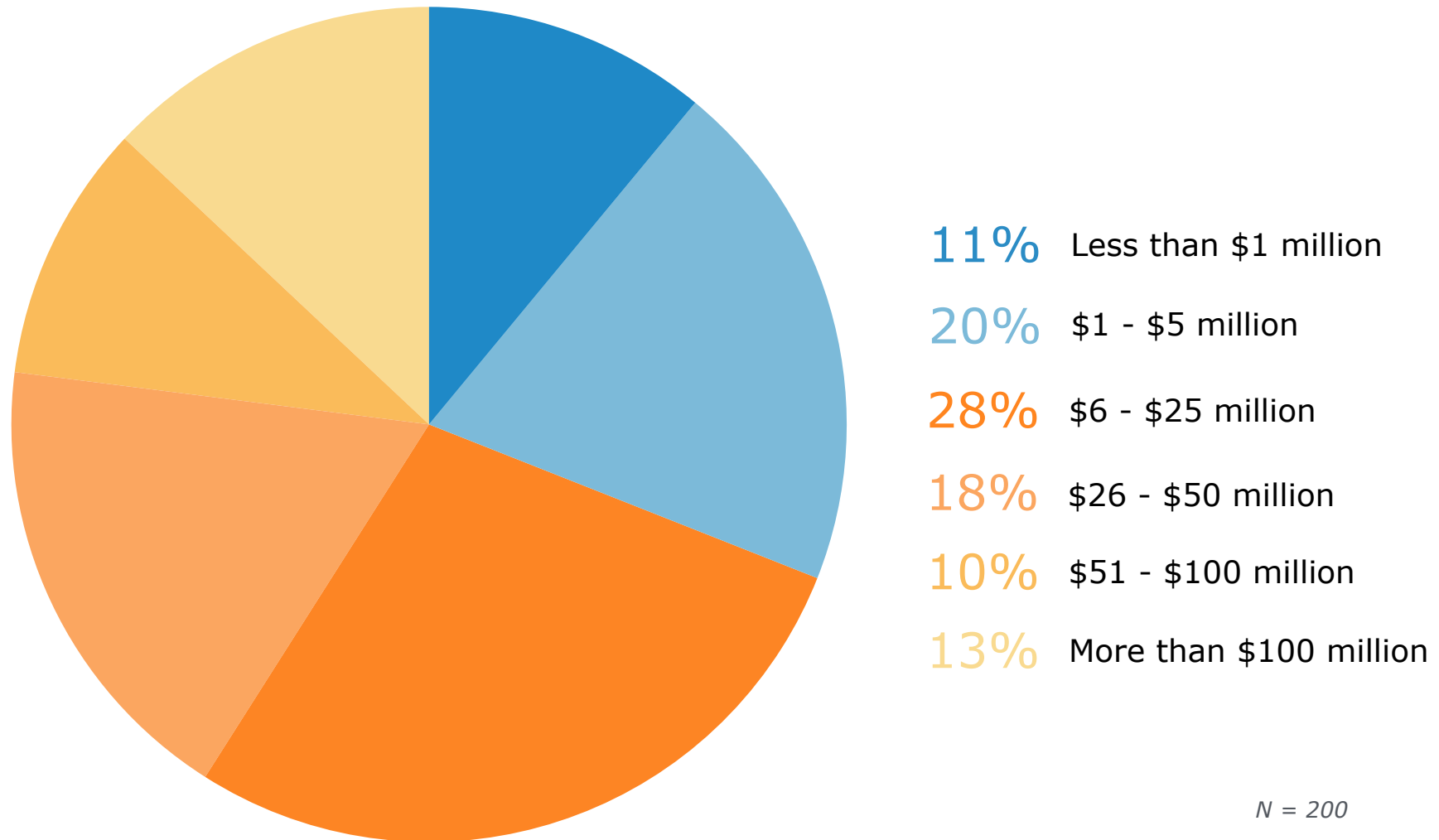| Category	Percent
Financial reporting	56%
Budgeting and forecasting	53%
Billing and invoicing	27%
Fixed asset accounting	26%
Payroll management	23%
Inventory management	12%
Project accounting	10%
Fund accounting	6%
Human resources	6%
Work order management	6%

Percent of sample

The majority of buyers are looking for accounting software with financial reporting and budgeting and forecasting capabilities.

Prospective Buyer Size By Number of Employees

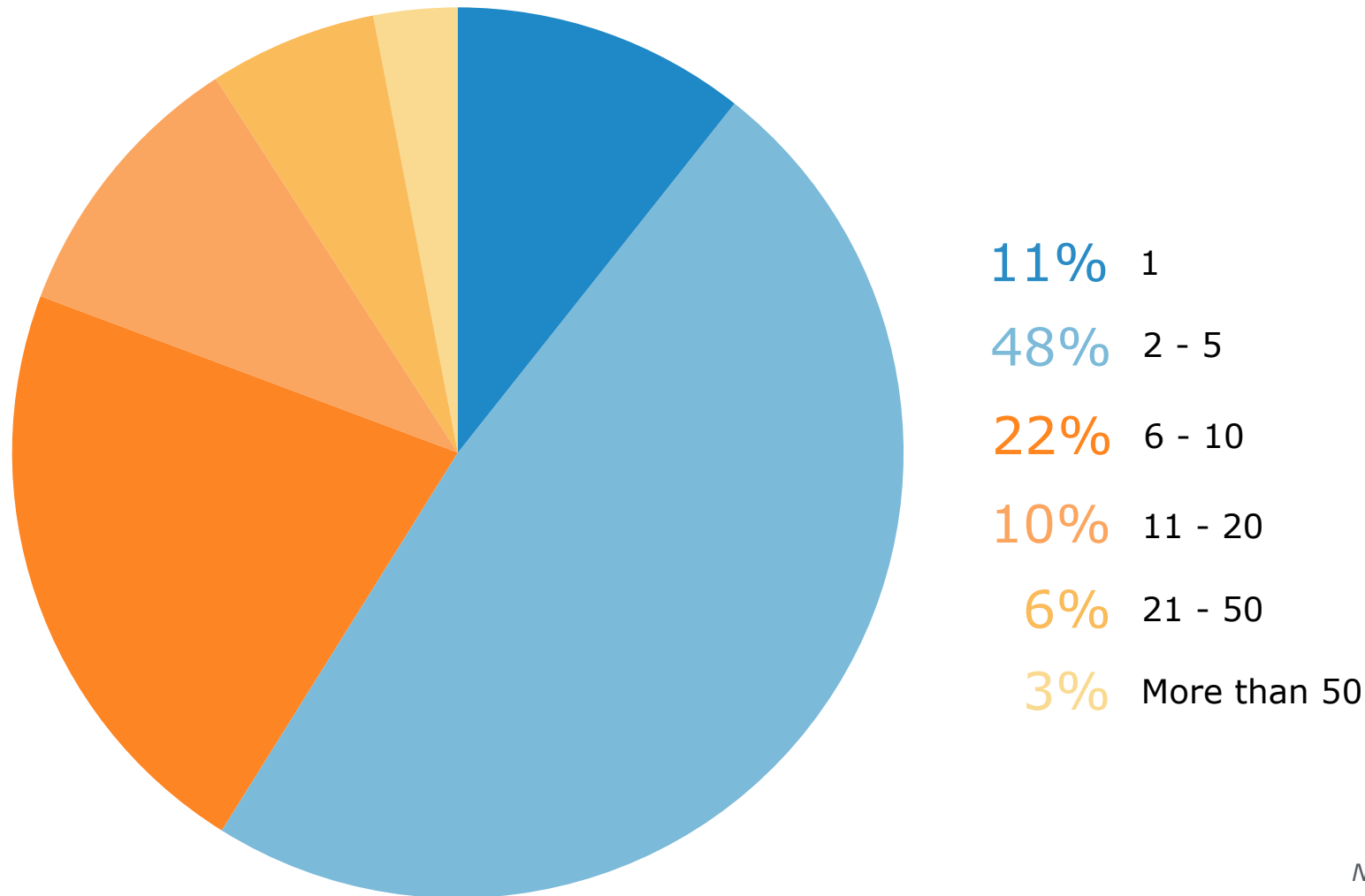|	
3%	1
6%	2 - 5
6%	6 - 10
7%	11 - 20
19%	21 - 50
19%	51 - 100
27%	101 - 500
13%	More than 501

N = 200

The greatest percentage of buyers in our sample (27 percent) are from midsize businesses with between 101 and 500 employees.

Prospective Buyer Size By Annual Revenue

11% Less than $1 million

20% $1 - $5 million

28% $6 - $25 million

18% $26 - $50 million

10% $51 - $100 million

13% More than $100 million

N = 200

The largest group of buyers in our sample (28 percent) are from businesses with between $6 and $25 million in annual revenue.

Prospective Buyer Size By Number of Users

11%   1

48%   2 - 5

22%   6 - 10

10%   11 - 20

6%   21 - 50

3%   More than 50

N = 200

The majority of buyers in our sample are looking to purchase software for between two and 10 users (a combined 70 percent).

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