

Over the years we get asked by new or novice QuickBooks users, “what is the right QuickBooks edition for my business?”. That’s a pretty good question, and it requires a certain broad knowledge of your business and your accounting requirements. These are our recommendations.

QuickBooks is not a necessary evil to manage quarterly sales taxes or annual income taxes. It is a business tool supporting and assisting the business to better report on sales trends, expenses, income, sales revenue generation, etc. We always say “Good accounting is good business”. For most small/mid-sized businesses QuickBooks Pro (the most inexpensive option over three years) is the right solution. However, there are subtle differences between QB editions that may slant your purchase decision, the previously mentioned business reporting requirements being a key factor.

Let’s start with the most obvious options offered by QuickBooks

QuickBooks Online

This may appear as the best option since there is no software installation, your books are always available no matter where you are, and there is no real risk of losing data, since it's stored on Intuit's servers. But... Our biggest issue with QBO is wasted time, as hot keys, ease of navigation, multiple windows, and just the general program setup compared to the QuickBooks desktop edition, make it an excessive time costly application. Improvements have been made, but full support of payroll and inventory functions are, at best, limited.

QuickBooks Online seems cheaper, as the initial cost is \$26.95 a month. However, at \$26.95 over three years (typical upgrade time) the total cost is \$970.20.

From an accounting perspective, if you take bookkeeping seriously, don't use QuickBooks Online.

QuickBooks for Mac

It is better than QuickBooks Online but not by much. Most of the financial features a small business will need are in QuickBooks for Mac but the shortcuts, workflow, organization of the program, and the lack of feature functionality compared to QuickBooks Pro (Windows Edition) makes it a completely different program. Steer clear of this program, if you need to keep your Mac we suggest using Parallels on the Mac and installing QB Pro Windows Edition. Also, the support offered by Intuit for the Mac product is, at best, abysmal.

QuickBooks Pro

We believe QuickBooks Pro is what most small businesses need to for basic business accounting. It has all the features any small business will need to track their company's finances and when upgraded it allows up to three users to simultaneously access the same company file. However, if you're a contractor, non-profit, need to create sales orders in QuickBooks, or perhaps have a full time, well experienced QuickBooks accountant/bookkeeper, the Premier features may better serve your business.

QuickBooks Premier

OK, what's the difference between Premier and Pro? For most businesses we advise they go with Pro, as the specialized Premier features are not necessary for every business. Why spend extra money for something you'll never need? But... if needing the features in Premier, it’s imperative to get Premier, otherwise, your business may suffer. Here are the Premier vs. Pro comparisons, if answering yes to any of these, get Premier:

- Are you a contractor and need to track individual job profitability?
- Do you send a lot of invoices (in excess of 20-50 a day)? Premier’s functionality provides additional benefits.
- Do you want to track inventory in QuickBooks and create an entire assembly to a final finished product? (Not everybody does, and some prefer using an external program or just booking all inventory to COGS and providing a



yearly entry to show current inventory at year end).

- Automatically make reversing journal entries and to recall previous bank reconciliations is a time saver, however, most folks will never take advantage of this unless they enjoy accounting (yeah, right) and understand how these will benefit their books.
- Do you require four or five users accessing the same QuickBooks company file at the same time? (This would be five people on five different computers all working in the same company file at the same time).
- Do you create sales orders in QuickBooks?

QuickBooks Enterprise

Not many small business owners see a need to purchase QuickBooks Enterprise, even Intuit advertises this as a mid-sized business solution. Enterprise is a solution for a business that will need at least one of the following:

- Over 5+ (Maximum of 30) users all accessing QuickBooks at the same time on 5+ computers.
- Intuit has limits on list sizes in QuickBooks, Enterprise greatly expands these limits (99.99% of small business will never reach these limits).
- Combining reports from multiple company files.
- Expanded inventory and parts tracking for building assemblies.
- User access capability, defining roles for certain users to access specific reports, bank accounts, items, and lists.

If you seriously don't know which version to get you can't go wrong buying QuickBooks Premier. As a small business all your bases will be covered and you will have all the reporting and functionality needed to run your business. If you don't need the features listed for Premier and Enterprise, then QuickBooks Pro is the edition we recommend.

