

Selecting Accounting Software for Contractors

Choosing and implementing an appropriate accounting software solution for your company is an important process. The more time and resources you dedicate to evaluate and implement the software, the better the final result.

Many small to mid-size contractors use low-cost accounting packages. Most of these contractors can benefit from implementing a mid-market construction management and accounting software package. The right package can provide better job costing information and allocations of indirect costs; improve payroll processing and other accounting functions; and offer a platform for future growth into other areas including electronic communication with field staff and production scheduling.

Some key steps to selecting and implementing an accounting software package:

1. Identify your most important needs before starting your search. Review internal reports (whether generated by your current system or manually) and determine how software may be able to streamline internal processes. Management, accounting and operations staff should all contribute toward identifying the five key needs
2. These needs can be broad, but should be limited to five to allow time for each of them to be effectively analyzed. Involve your CPA in the process.
3. Narrow your potential software candidates to three. Spend considerable time with each package to determine if it meets your key needs and fits the abilities of your staff. Keep in mind that a number of systems may meet most of your needs, but none of them will meet all of your needs. Therefore, focus on finding the one that is the best fit and be flexible.
4. Learn about the implementation process. Meet the trainer before purchasing the software and insure that the trainer has both construction accounting experience and detailed experience with the software. A good trainer will help you revise your chart of accounts, configure software parameters, convert existing data, streamline processes and improve job schedule reporting. Verify if the training will be in person, over the internet, individualized and/or in a group setting. Obtain a list of references that have installed the product and ask detailed questions about the implementation process and their satisfaction with on-going support.
5. Be prepared to invest the appropriate resources for training and implementation. Allow adequate time for employees to obtain training and implement the new software in addition to performing their regular duties. The investment made by you and your staff will have a direct impact on the final result.

Having the right tools is a necessity in completing a project timely and profitably. The same applies when considering a construction accounting software package. The right software, support and resources will put your company in a better position to succeed.

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