

Advice from a Freelance Writer: “It’s Not You. It’s Your Accounting Software”

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I knew I had a problem long before I took action. Invoices I created would often vanish in the system. Without digging through my bank account, I had no idea which clients had paid me and when. I found myself wondering who still owed me money and hoping they would do the right thing because I wasn't confident enough to ask. Tax time was a nightmare of combing through credit card statements and emails to unearth eligible expenses. I know now that I left money on the table on many projects simply by not tracking my time efficiently.

When my accounting software unexpectedly suffered a fatal glitch, I knew I needed to invest some time into finding a new system. After doing some research, I settled on a free trial of a cloud accounting solution designed for small, service-based business, including writers. Within moments, I understood something that changed everything.

It wasn't me, it was my accounting software.

I had blamed my accounting incompetence on the fact that I was a wordsmith, not a math whiz. Nope. I was just using bad software that didn't give me the tools I needed to be organized, efficient and strategic.

Two years since making the switch, I've nearly doubled my annual income. In under 3 clicks, I can learn how much I have in outstanding revenue, who owes what and when each invoice is due. Ask me what my total profit this year is and I can tell you in 30 seconds. While I'm there, I might as well take a peek at how much I've spent in business expenses (and on what) and how many projects I have on the go.

Most importantly, I'm spending most of my valuable time on important client work and making sound big-picture business decisions, not sweating over whether I'll ever be paid for a project because my accounting software glitched. Again.

I basically love everything about my cloud accounting solution, but if you asked me to narrow it down to the top 5, here's what I'd say:

An Invoicing System That Does a Lot of the Hard Stuff for You

The first thing I checked out on my free trial was the invoicing feature. If it was complicated, I wasn't going to invest in a subscription. Happily, it took me mere minutes to create a clear, professional-looking invoice sporting my logo and my website's color scheme. Score one for consistent communications!

Then I noticed I could set up automatic payment reminders. You mean I don't have to (mostly unsuccessfully) remember to send an awkward email when a client isn't paying up? This was an exciting proposition. Upon further inspection, I realized I could accept credit card payments straight from an invoice link (I could think of a few clients who would love me for that) and even charge late fees for the chronically truant customers.

The best part of these features is that they're mostly set it and forget it solutions. I no longer mark my calendar to check in on an invoice – or worse, go combing through my bank account or emails to see if a client has paid. My cloud accounting software clearly tells me when an invoice is due and offers an easy way to mark it paid when the check comes in. A lot of the mental clutter associated with managing invoices and payments was instantly cleared and I could get on with doing the work I love without wondering what accounting missteps I might be making.

Time Tracking Will Change Your Life

Do you ever wonder how much money you're actually making per hour on flat-rate projects? Do you lie awake at night thinking about whether your paid-by-the-word assignment that required three interviews netted you more than minimum wage in the end? I don't. Not anymore, anyway. Time tracking has changed the way I approach my work, quote on projects and manage my overall time.

Using my cloud accounting software, I set up a project profile the instant it begins, including listing all the tasks associated with completing the work. When I set a timer or add time manually, I can assign time to each task, e.g. writing, interviewing, researching, etc. When I'm finished, whether I'm billing by the hour or have a flat-rate project, I get an accurate

record of exactly how long each task took.

This helps me understand how I'm spending my time (news flash: research takes way more time than I thought it did!) and look for more efficient ways to manage some tasks. Plus, there's no more ballparking when it comes to invoicing. I get paid for every billable moment. And the insights I get from previous projects help me provide more accurate quotes for future ones.

Quoting and Pitching Made Easy

Professional writers need to know how to write accurate quotes and compelling pitches. Some clients want to know exactly what their services will cost; others need to be persuaded that you have the chops to carry out the work. Aside from the inevitable banging my head against the wall to come up with what I think is the right price, I never had a problem writing an estimate or a pitch. The pain came in the formatting. How would the client like to receive it? In an email? A Word doc? A spreadsheet? Or should I go all out and put together something fancy in InDesign?

Those days are over. A good cloud accounting solution will take care of the formatting so you can focus on the content. For a simple estimate, you enter the client information and the description and prices of your services. The result will be a professional document with the same look and color scheme as your invoices.

Some solutions offer a more robust way to pitch, including fields for scope of work, timelines, testimonials and even images. Recently, a client accepted a proposal for a short project and, when I finished, I converted it to an invoice in under 5 clicks, making my life easy at the beginning and the end of the project!

Make Tax Time Super Easy By Managing Expenses All Year Long

Do you still have the proverbial shoe box to store receipts for office supplies and lunches with clients? Ditch it. Enter your expenses into cloud accounting software and it will digitally store and automatically organize them for you. Translation: Everything is accountant-ready at tax time. Plus, it's kind of fun snapping a quick pic of a restaurant bill and filing it in the app before you've even left the table. (And you look like a boss.)

Keeping track of how much your business is spending is critical. You can't calculate your profit unless you subtract your expenses from what you're earning. When you keep your expenses up to date in your cloud accounting software, you'll have at-a-glance access to your complete financials. This has helped me make decisions about how much spending is reasonable at any given time and shows me where I could stand to cut back.

Accounting on the Go

As a small business owner, there are few things I like more than getting paid. Preparing and sending invoices? Not so much. Same goes for chores like filing expenses and recording payments. In the old days (pre-cloud accounting), I would put off simple accounting tasks for "when I had more time", which is also known as "never". It meant I wasn't getting paid as

quickly as I could have been, my financials were never up to date and I didn't have a clear picture of my real-time profit and loss.

One of my favorite features of cloud accounting software is its mobile app. There are no excuses to delay simple accounting tasks when you can do all of it in on your phone or tablet as easily as you would on your computer – wherever you are.

I've been known to mark an invoice paid while standing in line at the bank to deposit the check, prepare an estimate in the car outside a client's office after a meeting, send an invoice while waiting for the bus, file an expense for business supplies on my way out of the store and track my time while working in a coffee shop. Cloud accounting transforms accounting into a series of small tasks you can do on the go instead of one big chore that has to be done at your desk. Relief!

I suppose I should be slightly embarrassed to be gushing about accounting software. But I'm not. The tool has empowered me to be more strategic about how I spend my time, understand what kind of clients I want to work with, set goals for myself and have concrete ways to measure my achievements.

Success comes in many forms. I count conquering small business accounting as one of mine.

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ABOUT THE AUTHOR

Heather Hudson has been a freelance writer for more than 17 years. As a small business owner, she understands the triumphs and challenges of life as an entrepreneur. And as a longtime FreshBooks customer, she's always looking for ways to work smarter, not harder. You can learn more about her work at heatherhudson.ca.