



Sage One Review

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Sage One Accounts: Extra

As a seasoned Xero user and very irregular user of Sage's desktop version, I was interested to see how Sage approached the cloud accounting market, and whether they had learnt from the mistakes and successes of Xero and other cloud providers....

The version provided for this review was not the full version, as it was not live at the time of this review – I am not party to the bells and whistles of the full 'theme' so am unable to comment on the appearance of the site, but then again, that doesn't actually bother me – after all I like VT for its utterly boring appearance and superb reporting...

Sage One Extra as covered by this review is a multiple company package. The system is aimed at small to medium sized businesses – it doesn't have the full functionality of Sage Line 50, and the payroll add on covers a maximum of 15 employees. There are two other entry level products with focus on record keeping and compliance, Cashbook and Accounts. Cashbook suitable for micro cash based businesses and Sage One Accounts for small businesses who raise invoices and have slightly more complex requirements. Sage One Accounts EXTRA takes the range much further. an even smaller version called cashbook, which is for clients who do not raise invoices and have very small reporting requirements. There is also an accountant's version where you can manage client accounts held in Sage One Extra from a central control panel. These last 2 are not covered in this review.

Installation & Setting Up

Being held 'in the cloud' the great thing about online accounts packages is that there is no downloading, no memory to use up and no time spent installing discs etc. Sage One Extra is accessed via an account registered to your email address, with a password, and that's all you need to enter your accounts pages, once you are signed up.

On opening the programme/ website you are faced with a bank of options buttons – in my case these were – Free of charge, Accounts Extra and Payroll, but presumably this depends on the price you pay. Collaborate is a portal where you can receive messages from your accountant or advisor, upload and send requested documents. Oddly, you don't seem to be able to initiate a conversation, or reply to a message without attaching a file, which I found rather limiting. Payroll is obviously a link to the payroll add-on, which is reviewed later on in this report. Extra is the main part of the programme, and clicking this button takes you to the main set up/ welcome screen, which is the first of a subset of tabs titled Summary.

Setting up the system to your requirements on the Getting Started Tab within the Summary is reassuringly straightforward enough. The welcome screen guides you through the main steps, in manageable chunks so you should not be overly reliant on external help if you are a small business, and is easy to use if you know what you are doing.

Setting up the **chart of accounts** - easy enough to navigate around this, big improvement on the old days of Sage Instant, although I would have liked to see more accounts at once on the screen – I had to scroll through several pages on the Overheads for example to see all the accounts in the ledger. Adding a new account is a little more complex, and requires you to know which Ledger to enter under and have already noted a free nominal code before you can create the account, which is a little frustrating when you are creating them on the fly for a new transaction that doesn't fit the existing COA.

Opening balances can be entered as you have them – you don't need a full trial balance to get started, but neither can you import an existing .csv list and assign to headings. You can get started straight away or add just your bank balance, debtors and creditors etc. and the programme automatically posts any differences to a suspense account, which you can go back and update when you have more information or more time. Being in the cloud, you could also partially complete this, and get your accountant or advisor to log in and finalise the process at a later date. The entering of un-cleared bank transactions is very well explained and is possibly the simplest way of doing it I have seen.

Also in set up are options for general preferences, entering customer and supplier records, and a basic reports menu for debtors & creditors, a trial balance and a nominal activity report. Further reports can be accessed elsewhere (see later on...) but this a good opening screen to find things quickly at the outset.

This is also where you set up additional users – invite your advisor or other employees to log in under the parameters you set – full access, restricted, read only etc. Individual log-ins enable a good audit trail and enable users only to see and do what you allow them to.

Once you are done on the set up screens (you can go back and change and edit the details at any point), you can take a look at the rest of the tabs within the summary. Here you can find a summary page for sales, purchases, cash flow and cash forecasting. These summary pages show simple graphs & pie charts of movement within each category – so you can see quite quickly your main debtors and creditors for example. This is all good if you are a visual person and respond well to such things, and good to have the option to do so. Personally I found the screens cluttered and not of enormous use – but I don't use anything similar to this in other packages either, so I may yet be converted...

Once you have the summary tabs covered, you turn your attention to the main tabs at the top of the background screen, which remain visible whatever page or screen you are on. The first of these is sales:

Sales & Invoicing

A drop down menu lets you go straight to creating an invoice, a credit note, make Quick Entries or produce a sales quote. Back in the Getting Started section, there are a selection of basic templates to choose from to create invoices to send out to customers, to which you can add your own logos & terms & conditions etc. I couldn't see a place to preview the final invoice until you create an actual invoice, through the Manage Invoice button on a customer page, but this may be down to my incomplete version. It's worth spending some time on the invoice template – the address fields etc can look cluttered, and it's worth getting it right. It doesn't seem to let you move text boxes around, or customise your invoice more specifically in terms of font used etc, so you may need to compromise your house style somewhat.

Creating an invoice – straight forward to enter a new customer through the sales invoice tab – a pop up box allows you to enter all the relevant details, without closing the invoice, although it is unclear initially how the required 'reference' is used, or what it should be... As it turns out, this can be anything you later use to describe the customer, and is memorised in a list that pops up when you create future entries and start typing in the box. The term reference is used a few times in various transactions, and the system could do with some help notes to explain what each reference should be used for.

Back in the create invoice screen, there is another reference required. This seems to be whatever you want it to be, as Sage already automatically assigns an invoice number. The

invoice number does not appear on the actual invoice as you create it though – to see it go back to the sales main screen, where you can see a list of all the sales invoices raised and their status (paid/ unpaid, issued/not issued) and the balance outstanding.

Easy enough to create item description and codes in the create invoice screen, and to create new ones on the fly. I tried to create a new nominal code to post the income to, but had to do this in a separate tab through the set up window, and then on refreshing the invoice I had half created to pick up the new code, the info I had already entered was wiped. Annoying. Email function works well though – in much the same way as Xero you can email pretty much anything to anyone in PDF format.

Entering sales receipts against invoices – is done through the sales invoice itself, or through the bank against the customer account, which is quick and straight forward enough. You can also receive payments on account, which are quick to allocate through the same screens as and when you have an open invoice.

Sales Quotes

One of the best functions with this programme is the quotes tab – where you can create a quote for a customer and then turn it in to an invoice, or decline it if the work doesn't go ahead. In the summary tabs you can see how many quotes have been converted. I've never used a function like this before but I can see that it would be extremely useful to certain trades

(Quick point of interest!)

It's worth remembering that you can open up multiple tabs within Sage Extra at the same time – so you don't have to go back and forth on the one page – right click on the menu item of the page you want to open and select 'open in a new tab' to leave the current page available. However, it's also worth remembering that you need to refresh pages frequently – if you go 'back', make a change and then go forward again, the page held in the history will not have picked up the change until you refresh. Which can get confusing! This is true of all the cloud systems I have used....)

Quick Entries

Also under the sales tab, Quick Entries, in theory, should work well – it allows you to enter invoices that you don't need to physically generate, in a quick one line per invoice window. In practice however you need to have all your customers set up before hand or you may fall foul of the 'refresh' problem above which will wipe everything in the window if you haven't saved it... For some reason invoices created in this screen are given a different numbering system with a QE prefix. Speedier than the main Create Invoice option though.

Purchases

Works in exactly the same way as sales – you can preset types of products you frequently buy to prepopulate windows, and make payments through the bank or supplier screens. The 'reference' you can put on purchase invoices is for your own referencing system – unlike sales the programme does not auto provide a number, and you need to remember what number you are up to (a full list of invoices entered can be seen on the first screen in the purchase tab). I struggled to work out how to allocate a payment on account to an invoice that came in after the payment went out, or how to allocate credit notes to open invoices/ receive a refund but you can do all of these things – it does get a little confusing though as to where you can do each part of the process though and I had to look at help quite a lot for this bit. **Analysis** Throughout the programme you are able to sort your transactions in 3 ways – by cost centres, departments & projects (or anything you like). This makes it useful for those wishing to analyse data by region etc. and especially good for charitable companies with reporting challenges

against restricted funds. Analysis options are set up in the Getting Started section, but it's not always clear how to allocate a transaction. The options to choose departments etc. do not appear immediately on sales (or purchase) invoices when you are creating them or when making bank payments, but, I eventually discovered, do pop up if you hover your mouse at the end of the lines on the invoices (although it does appear in the quick entries screen and the journal entries screen). Curious. And annoying because if you forget to allocate your transaction to an analysis code (it doesn't appear possible to make it compulsory), you can't change it once you've posted and paid down the invoice.

Corrections

It is possible to alter invoices right up until they are paid or part paid – and even if a correction is required after this point, the payment allocation can be removed so an edit can be made. Invoices are only made truly un-editable once they are included in a VAT return. Sage has a robust audit trail and this is a Good Thing, but I think the limit on what you can correct is so small within the transactions as to be unworkable for a small business who could really lose heart and get in a real mess if they make just a few mistakes.

Journals

Hurray for journals! Unlike some other packages, here you can journal to the bank (which is good)! You can also journal against trade debtors & creditors. You can also journal against the VAT account which is good as long as you know what you are doing! When entering a journal you have to choose the account you are posting to from a drop down box – you can't just start typing unless you click on the drop down menu. Another 'reference' required again here – this time for a journal number which again doesn't auto populate so you have to check back to the list of journals to know which number you are on.

Bank screen

I was disappointed with this. To get to the bank you first have to go through the bank tab which shows you all of your accounts, and then load the one you wish to work on/ view. I spend a lot of time in the bank part of my client's accounts (as do they!) and like to see a running balance and plenty of detail on the bank. Whilst we are given a graph (not very clear what its showing me...) the overall layout is poor, with the balance and bank account details taking up a lot of room at the top of the screen and the transactions at the bottom.

Bank Reconciliation

Unfortunately I was unable to test the bank statement download function but from the advertising this appears to be very similar to the Xero bank reconciliation where entries are matched as much as possible by the system itself to prevent you having to enter bank transactions again – particularly for paying suppliers and customer invoices. However, the manual reconciliation works well, can be saved part way through, and is quick and easy to do. The only small sticking point is that to enter missing transactions you need to save the reconciliation, open the bank screen again in a new tab to enter the new transaction, then go back to the reconciliation, refresh and continue. The reconciliation report (run from the bank screen) shows only those transactions that are reconciled. To view the non-reconciled transactions requires you to pull a separate report in the Reports screen, which is not unusual, but personally I prefer the option to include everything on one report for a given period. I couldn't find a way to unreconcile the bank (to put right any errors or change the date etc.) or drill down through reconciled transactions.

VAT returns

The programme supports flat rate and standard rate schemes, cash and accruals accounting, all of which are set up in Getting Started. It's straight forward to produce the VAT return report,

but the detailed report is only available as a PDF and cannot be drilled down into to make amendments etc – you need to find the transaction through the other tabs and amend/ repost from there. If you have paid an invoice, reconciled it at the bank and then realised you have allocated the wrong VAT rate you are in trouble!

Reporting

The Trial balance is clear and easy to read as are the other reports which you can produce within date ranges and against the analysis codes. The export to csv function works well, and produces basic uncluttered excel sheets – much better than the over complex sheets QuickBooks produces, although I would like to see the trading company name on there at least. Exporting to PDF gives a much more professional style of report with the company name and report title at the top. The version I saw was logo'd up with Sage branding, but presumably you can brand reports with your own logos in the full version..?

Foreign Currencies

Sage One has a great function here – the software enables you to work in foreign currencies, and features a live exchange rate facility which means invoices will be revalued in real time, and the corresponding losses/ gains recorded without manual calculations if the value changes between invoices being raised and payments received. I've not seen this feature on a standard package before and it's a very useful addition.

Payroll

The payroll function doesn't come with the main Extra package, and I presume it is charged separately as a bolt on. This is a basic payroll, for up to 15 employees only, but it supports RTI and is linked to HMRC with the usual gateway account details. It is very quick to create a new employee, import data from an existing .csv file and set pay days and working patterns. The payroll will link into the main accounts programme in the final version, although I was unable to test this 'nominal link' feature to see how it performed.

If you open the payroll button on the home screen, it will show when the next pay run is due, and then guide you through the process of finalising the pay, calculating statutory payments where required and allowing for manual adjustments etc before you issue payslips and the RTI reports to HMRC. Whilst I was unable to test this function all the way through to the submission, it was quick to do and seemed straight forward and clear enough for a non-professional to use. All in all it's ideal for a very small business.

Help function

The help pages were actually useful, with a good search facility. Your search will give you a brief explanation of a function, which you can expand into step by step details if you need more info. I didn't need to use this function much (always a good thing!) but when I did I generally found the answers quickly and they were helpful. You also get free 24/7 telephone support with this package.

Summary:

Overall the package felt smooth and uncluttered, was fast and responsive and was easy to navigate around. The down side of that was that it also felt just a little bit basic. Still, I am a big believer in using intuition to use accounting software – the packages are fundamentally all doing the same thing – and I dislike having to spend hours reading instructions or looking at help. In this respect I felt good with Sage – it generally did what I asked it to and I knew where to go to find the bits I was looking for. As with all the Cloud solutions, broadband speed is everything. Mine worked fine on a cablewireless connection – no noticeable issues with speed at all.

The product as it stands would suit a very small business who is familiar with basic accounting techniques and needs to generate invoices and quotes, wants to run a tight ship with suppliers, customers and their banking and not get too bogged down in reporting and analytics (although that too is possible to an extent). However, there is not enough flexibility in the programme to enable the swift correction of simple mistakes, which could well cause end users to get frustrated and lost in their own numbers. The online intervention of your accountant/ advisor is clearly a useful thing here, but I'm sure most small businesses don't want to rack up bills getting someone else to tidy things up at this level.

At the time of writing I am unaware of the costs of this package to the consumer. Previously I have been put off using Sage with clients because of the high costs involved with the desk top versions and the constant sales pressure to buy upgrades. Whilst a subscription to this package ensures you are always using the latest version (upgrades and tweaks will be happening all the time I imagine), I am yet to be reassured that it's also affordable to the average small business.

To conclude, here's a bullet point summary of the main points:

Good things:

- Ease of the set up process and opening balances entry especially with uncleared bank transactions
- Navigation around the site and between the different tabs at the top of the main frame.
- Being able to drill down through most transactions & reports to give you source information
- Bank reconciliation process (as long as you get it right first time!)
- VAT return process (as long as you entered everything correctly!)
- Sales Quotes function
- Tick boxes to include journalled items on the VAT return
- Speed and smoothness of the programme in operation
- Concise & helpful help pages
- Easy to export to PDF and excel and subsequent reports are uncluttered and easy to read.
- Supports flat rate VAT schemes
- Additional users can work within various levels of access with their own audit trails.
- Foreign currencies & live currency valuations function

Things that could have been better:

- The ability to turn off those graphs and flow charts
- To be able to reconcile more account's- HMRC/PAYE & VAT accounts as well as bank

- Screens to be better organised, less spaced out and have more information about transactions visible in one window – especially in the bank tab and the Chart Of Accounts.
- More clarity on what the 'references' asked for on most transactions are used for automatic numbering on purchase invoices & journals, where you can stipulate the first number given. E.g. my first invoice is called 00201, and then Sage automatically calls then next one 00202 – like VT does _
- To be able to drill down into the VAT details report
- An improved 'collaboration' function which appears limited at this stage

If the price is right, this could be a popular package and rightly so for the small business with a modicum of accounting knowledge and a tuned in advisor. Being in the cloud enables Sage to continually improve and update the programme, and hopefully they will be receptive to end user feedback and make changes to things that aren't popular after the launch. I look forward to seeing how it is received into the market place.

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