NETWATCH

Your guide to business and accounting on the Internet

When I look back on my days as a student in accounts, I can't help but think how much the financial accounting landscape has changed in just two decades.

Back in 1979, most of my clients still used thick, paper-based ledger books that we would treat with the utmost respect. A daring few had moved over to "electronic book keeping machines," which used massive, yellow cardboard "ledger pages" with a tiny magnetic strip on the reverse for data storage. Only the really big clients could afford to use leading-edge computers such as a VAX or PDP from Digital Equipment, running them overnight to batch process all the latest transactions.

Today, tiny bits of information zip constantly through an organization's multiple financial, transaction and management systems. And yet, even with these computer interconnections, financial systems of many businesses remain quite primitive.

That's because they haven't extended their reach to the outside world. But they will soon — buzzwords such as extended accounting systems, e-procurement, supply chain management and electronic data interchange all herald the fact that our accounting systems are about to go beyond the four walls of our companies and our clients.

Given this rapid rate of change, all of us will need to familiarize ourselves with the complex nature of the systems that will become common throughout the next decade, whether we are assisting clients or helping our organizations move forward.

Fortunately, we can use the Internet to learn how the world of accounting is changing. E-post, for example, a joint initiative between Canada Post and Bank of Montreal, will introduce you to e-billing, the paperless method of sending bills and receiving payment. You'll come away from the site with an appreciation that the world of accounts receivable will never be the same.

Better yet, take a look at the major accounting system vendors. While many of their sites are heavily marketing oriented, you can still use them to learn how accounting systems will be influenced by e-biz.

Visit AccPac's site to see how its eTransact software links back-end accounting data to the Internet. You can look at a demo, interact with a demonstration store or learn more about how eTransact works. This kind of web-enabled software provides an entry point to sophisticated online financial interaction for countless small- and medium-sized companies.

On the SAP, PeopleSoft and Oracle sites you'll find "white papers," research reports, marketing literature, case studies and other information that will give you a sense of where we might be as accountants five or 10 years hence, with further integration between financial systems and the Web.

Similarly, you can learn how the business process outsourcing market will come to affect the future of accounting systems, through the sites of Ledgent and similar vendors.

All this means that we can use the Internet to learn how the Internet will change the world of accounting.

Jim Carroll, FCA, is a popular keynote speaker, author and columnist. He can be reached at jcarroll@jimcarroll.com or www.jimcarroll.com.

Accounting's past, present and future

Electronic accounting machine (example)
www.piercefuller.com/collect/before.html
Epost www.epost.ca
AccPac www.accpac.com/products/E-Business/sell.asp
SAP www.sap.com/solutions/financials/
Ledgent www.ledgent.com