



July Newsletter: Freshbooks

Hello!

Recently, Freshbooks announced it had sent over \$1 billion in invoices. This online service allows anyone from freelancers to large businesses to easily create, send, and keep track of their invoices anywhere. As business owners, we tend to distrust things that claim they will make our lives easier at a nominal cost. It always almost seems too good to be true but Freshbooks, a seven-year old online billing and invoicing company seems to be one of these services.

In this month's newsletter we will discuss the pros and cons of Freshbooks and whether you should use it to invoice your customers.

All the best,

Josh Feder
Co-founders

Freshbooks, which runs entirely in your web browser, replaces the invoicing and collections function (Accounts Receivable) of accounting programs like Intuit's Quickbooks. While it only has a fraction of the features of Quickbooks, what it does, it does very well. It costs between \$19 and \$79 per month.

Freshbooks allows you to:

- Send branded invoices by email or post
- Create time sheets and track projects
- Create and maintain a database of clients
- Accept payments through secure online channels such as Paypal and Authorize.net
- Track expenses and create estimates
- Import client data from existing accounting applications
- Create and run reports
- Integrate into other online services such as Basecamp, Salesforce, and Mailchimp
- Access it from any mobile browser or download the minibooks iPhone app

A few negatives:

- Although it allows you to track expenses, you can't add a markup.



- Reports are not as extensive as desktop applications
- If you are running an inventory-based business, the inventory tracking options are not robust enough to support large amounts of product.

Should you use Freshbooks?

We like Freshbooks' invoicing and collections features far more than Quickbooks'. They're easy to use, and can even make invoicing enjoyable. However, unless you do a ton of invoicing, we can only recommend it to the sole practitioner or small part-time business.

Why? Most small businesses will need to use Quickbooks or a similar program for basic accounting anyway. While Freshbooks says it can completely replace Quickbooks for very small businesses (< \$300k in revenue), we disagree. The truth is, Quickbooks can do most everything Freshbooks can, and if you already need to use Quickbooks, adding another program is simply not worth it.