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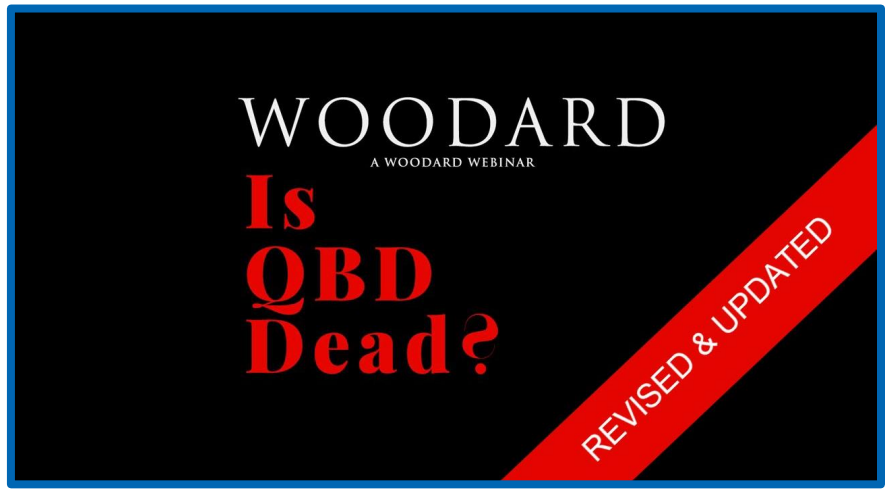
A WOODARD WEBINAR

Is QBD Dead?

REVISED & UPDATED

Underlying Premise behind the Question

- We are borrowing the question from Time Magazine in their famous/infamous cover article titled “Is God Dead?”
- Time Magazine borrowed the question from Friedrich Nietzsche from his work *The Gay Science*
- Nietzsche’s Premise is the Same as Ours

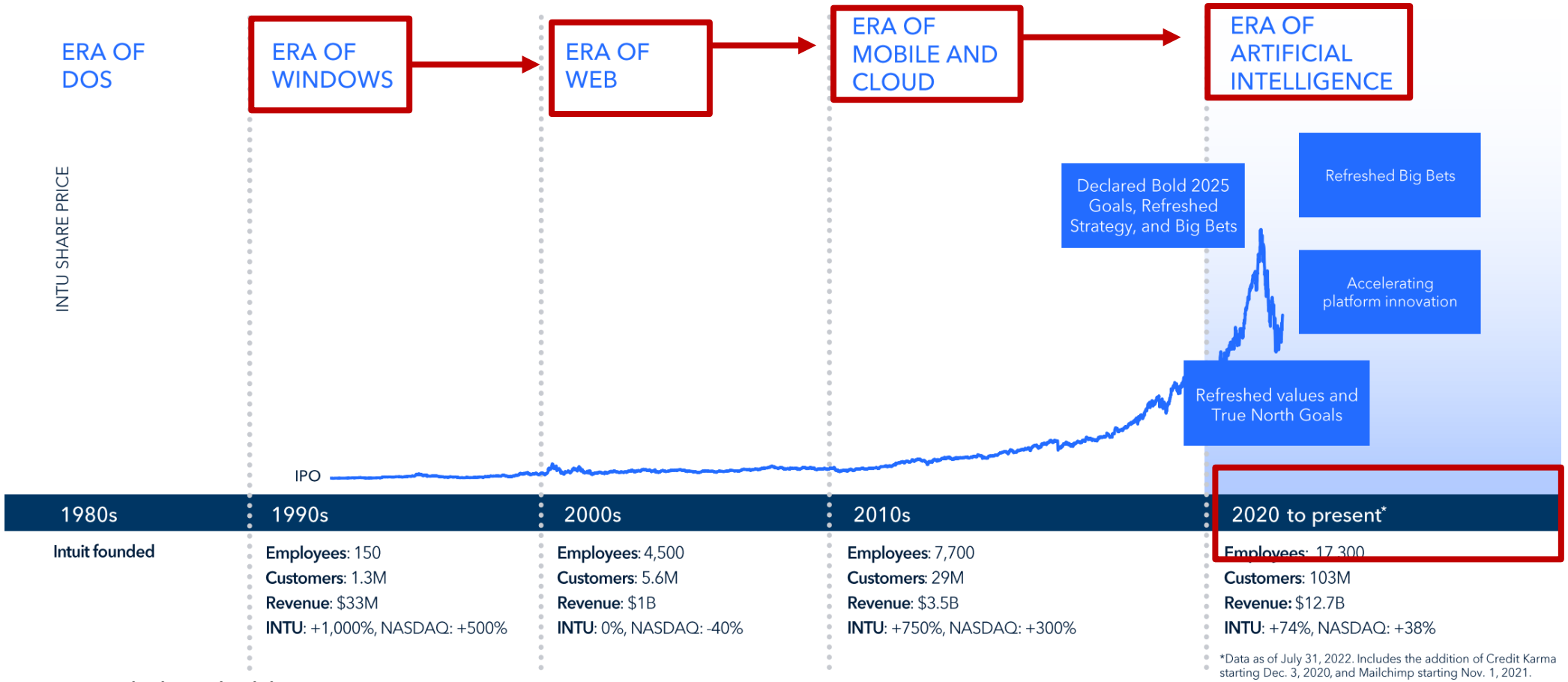


This is a question of relevancy

Segment 1

The Relevancy of QBD to Intuit

Windows is a Historical "Era" for Intuit



Source: Intuit Annual Shareholder Report – January 2023

Intuit's "Bold 2025 Goals"

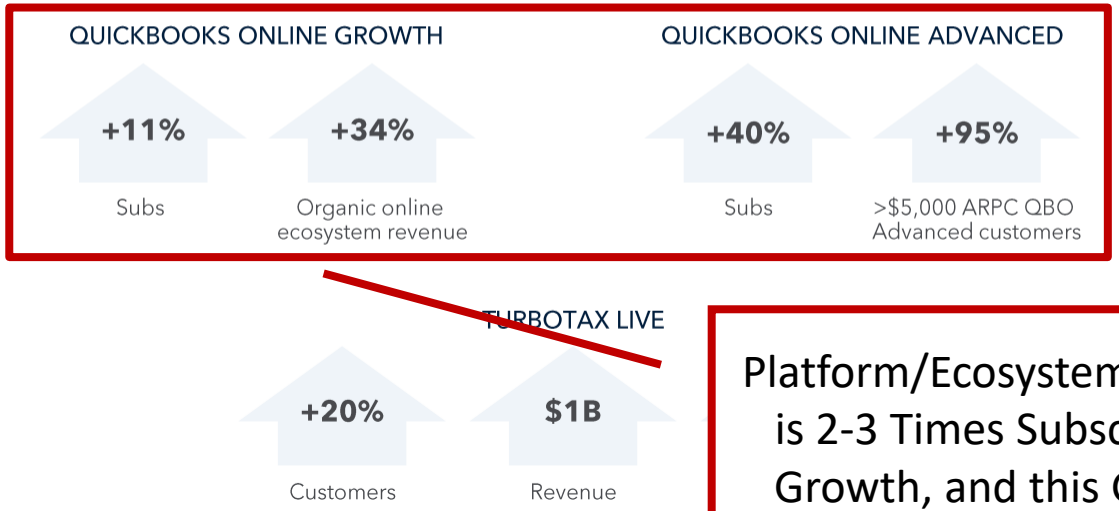
Prosperity	Double household savings rate and improve SMB success rate >10 points vs. industry
Reputation	Best-in-Class of Most Reputable Companies
Growth	200M+ customers, accelerating revenue growth

Intuit has 10 Million SMB Customers with 1 Million Self-Employed and 2.4 Million on Mail Chimp. Of the 7.6 Million that remain, Intuit has an estimated 5 million users on QBO, leaving an estimated 2.5 million QBD users. We estimated the QBD user count at 4 Million 3 years ago.

Source: Intuit Annual Shareholder Report – January 2023

Intuit's GL Platform Growth is Entire QBO Focused

GROW THE CORE
Consumer & Business Tax and SMB Financial Management Software (FMS) in the US
DIY and Assisted platforms (TurboTax and QuickBooks)



Platform/Ecosystem Growth is 2-3 Times Subscription Growth, and this Growth Doesn't Exist without QBO!

Source: Intuit Annual Shareholder Report – January 2023

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QBO is more “Relevant” to Intuit

Support Costs are Considerably Lower for Users

Revenue Realization is Significantly Higher per User

Optics of QuickBooks Aren’t Favorable at the Desktop Level

Intuit Cannot Engage QBD Users with the QB Live Offering

Data Gathering is Significantly Higher on the QBO Platform

Impact on Share Price is Significantly Different for QBO vs. QBD → Subscription-only Pricing for QBD

QBD Conversions to Non-Intuit Platforms (e.g., NetSuite or Intacct) is a Threat Intuit Must Neutralize

Segment 2

The Relevancy of QBD to Accountants and Bookkeepers

QBO is more “Relevant” to Accountants and Bookkeepers

Better Access to Data	More Connected Applications → Increases in Entry Automation	Less Expensive for Most Clients (compared to Hosted QBD)	No Version Management Issues	No File Corruption Issues
Not at the Mercy of your Clients’ IT (Non-hosted Environments)	Platform Independent (Non-hosted Environments)	Integration Application Connection Issues (Non-Hosted Environments)	If the practice is 100% QB Online, you ae consolidated into a single GL platform	Expanded Options for Data Aggregation

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QBD Advantages are Increasingly Neutralized

QBD Advantages per "Is QBD Dead?" 3 Years Ago	Neutralization through…
• Local Backup/Restore	QBO-Integrated Backup Applications
• Reduced Price Point for Client (Especially for Pro/Premier and When Not SaaS or Hosted	QBD Converting to 100% SaaS Model
• Reduced Price Point for Bookkeepers (Especially when the client doesn't need to access the file)	Wholesale Pricing Combined Extreme Increases in Efficiency through QBO
• Faster Data Entry	Enhanced to QBO User Experience and Increased Automation through QBO Features and Integrated Applications
• More Mature and Robust Feature Set, Especially with Inventory Management and Job Costing • Better Suited for Larger Businesses (e.g., Over 5 Million in Sales) → Strong Consulting Opportunity	Significantly Expanded Ecosystem of Operational "Stretcher" Solutions, Including Options for Inventory and Job Costing

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QBO is Increasingly Relevant to *All* Business Clients

Job Management and Costing for Short Term Contractors

Job Management and Costing for Builders and General Contractors

Inventory & Order Management for Retail, Wholesale, Distribution & Manufacturing

Segment 3

Inventory with QBO as a Powerful Opportunity for You and Your Clients

Inventory Features in Cin7 Core Not in QBES

- Mobile Picking and Packing
- Barcode Scanning on certain barcode formats
- Multiple unique tracking identifiers
- Trace tracking of serial and lot information during assemblies
- Complex manufacturing processes (e.g., that include labor and equipment burdens, inventory variances, etc.)
- High transaction volume businesses (e.g., thousands of orders per month)
- Point of Sale (Discontinuation of QBPOS Scheduled for October 2023)
- Native cloud access (i.e., other than QBES hosted)
- Omni-channel e-Commerce integration
- EDI (Electronic Data Interchange)
- Inventory forecasting with intelligent re-order points
- Alternate materials recommendations for variable bills of material
- Tracking inventory in-transit
- Complex shipping processes, integrating with multiple carriers

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Why Prioritize Clients with Inventory Management

- Typically, Larger and Less fee sensitive
- Quicker to value real-time financial information – especially the P&L above Gross Profit
- More complex with sales tax tracking sales tax advisory services
- Quicker to seek operational-level advisory services
  - Spend Management
    - Cost controls for Products and Parts
    - Spend policies for inventory managers and traveling sales reps
  - Accounts Receivable Management
  - Cash Flow Management
- Need support from a value-added reseller/consultant → Referral sources for accounting and bookkeeping services

The Fork in the Road regarding Clients with Inventory Management

Option 1: Invest in learning inventory, warehouse management, and associated software solutions → Offer Inventory consulting services and resell one or more QBO-integrated software solutions.

Option 2: Expand your practice to include clients with complex inventory controls by partnering with an inventory consultant and QBO-integrated inventory product expert

Intuit's Partnership with Cin7 Core

Intuit wants to maximize migrations from QBD to QBO and recognizes that inventory management is a significant barrier to QBO adoption

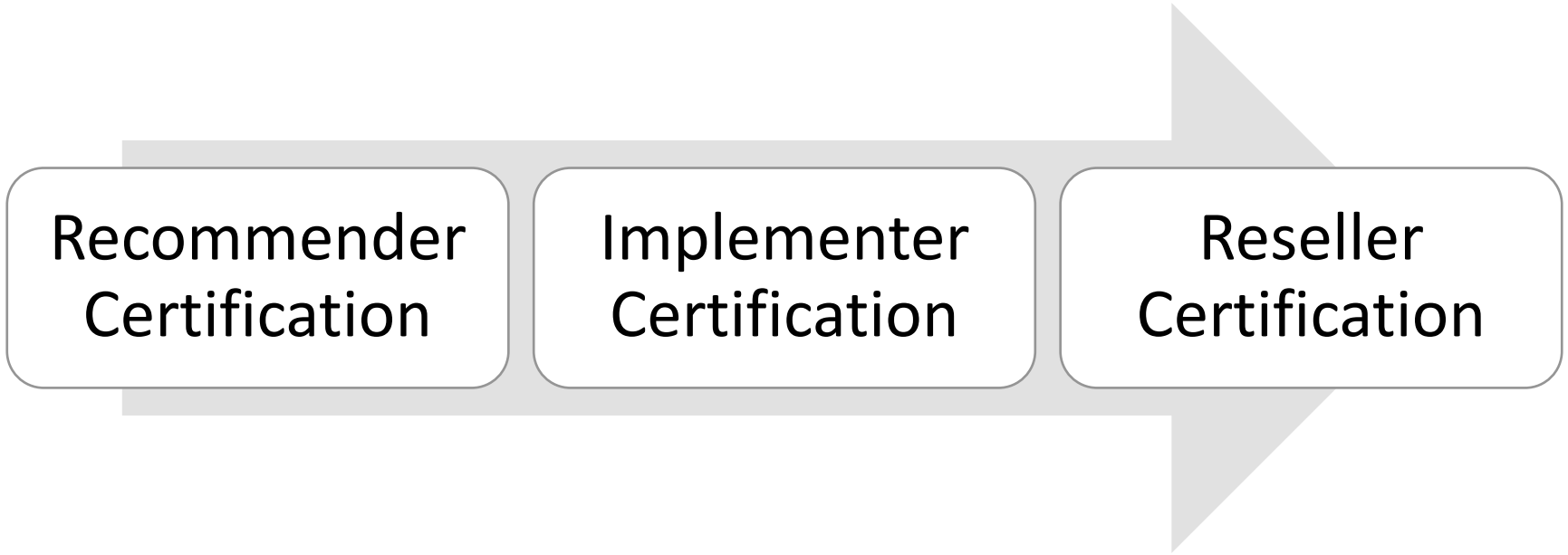
Intuit partnered with Cin7 around their Cin7 Core product (formerly known as Dear) to remove the barrier to QBO adoption for distributors, wholesalers and manufacturers.

Intuit is investing tremendous energy into all its QBD to QBO migration efforts, including its relationship with Cin7

QuickBooks consultants have a massive 1–5-year opportunity to consult around the adoption of Cin7 Core

Cin7 partnered with Woodard to recruit, train and support Cin7 referring advisors, implementers, and resellers to meet the coming client engagement demand

Three Phases of Training



Note: Advisors who wish to recommend Cin7 Core but not implement the software will only participate in Phase 1.

About Woodard's Cin7 Recommender Course

Benefits of this 3-Hour Virtual Course

Learn Inventory Basics including Terminology, Order Management Basics, and the Fundamentals of Warehouse Management

Receive an Extensive "Inventory Pain Points" Checklist

Receive an Overview of the Features and Capabilities of Cin7 Core to Make Informed Recommendations to Your Clients

Just $95/Person

Registration link in the chat window of the GotoWebinar Pane

Use the Discount Code ISQBDDEAD20 to Save 20%!

Expires Midnight Eastern Time this Friday, March 24

Resulting Revenue Opportunity

- Use the "Inventory Pain Points Checklist" to Provide Billable Evaluation Services for Your Clients who Track Inventory
- Earn Referral Fees from Our Network of Certified Cin7 Core Implementers and Resellers
- Provide QBD to QBO Conversion Services to Prepare Clients to Use Cin7 Core
- Provide Consulting Services to Your Clients on the Best Way to Structure their COA to work with Cin7 Core
- Provide Ongoing Advisory Services like Spend Management and A/R Management

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The Answer to the Question

Is QBD Dead? (i.e., Has QB Desktop Lost Its Relevancy?)

Strategically…YES. As a go-forward strategy and as a long-term strategy for Intuit, accountants and users, QBD is no longer relevant and is therefore *ultimately* dead.

Presently…NOT YET. The sheer mass of QBD users warrants Intuit's ongoing support of the product, creating a stable, though legacy, system for small businesses

QBD is Not Dead, but it IS Dying, and it is doing so at an accelerating pace.

You Need a Focused, Intentional and Short-term Strategy for Liberated Your Clients from QuickBooks Desktop

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