

PARSING THE TOP 3 ACCOUNTING SOFTWARE PROGRAMS FOR SMALL BUSINESSES

ON CHOOSING THE RIGHT ACCOUNTING SOFTWARE FOR
SMALL BUSINESS

HUNTER BOOKKEEPING LLC

Choosing the right accounting software is a critical decision for any small business owner. The right program can simplify bookkeeping, streamline tax preparation, and provide the financial insights necessary for growth. The wrong one can lead to frustration, missed deadlines, and inaccurate financial reporting. With so many options available, how do you decide which one is best for your unique needs?

This guide cuts through the noise to focus on the three accounting programs that consistently rank at the top for small businesses: QuickBooks Online, Xero, and FreshBooks. Each program offers a distinct set of features, pricing tiers, and user experiences, making them suitable for different types of businesses, from freelancers and sole proprietors to growing companies with employees.

Our Top 3 Contenders

The market for small business accounting software is competitive, but these three have maintained their positions as leaders by providing robust features, excellent user interfaces, and strong integration capabilities.

1. QuickBooks Online (QBO)

QuickBooks Online, developed by Intuit, has been the industry standard and the most widely used accounting software in the world. Its popularity means that most accountants are familiar with the platform, which can be a significant advantage during tax season. QBO is known for its comprehensive features, scalability, and powerful integration systems.

It is particularly well-suited for businesses that anticipate significant growth, need detailed inventory management, or require complex reporting capabilities. While it can be more expensive and complex than its competitors, the depth of its features often justifies the price for established small to mid-sized businesses.

2. Xero

Developed in New Zealand, Xero has gained a significant following globally, often celebrated for its sleek, modern interface and strong emphasis on collaboration. Xero positions itself as a beautiful, easy-to-use alternative to QBO. It excels in bank reconciliation and offers unlimited users on all its plans, a major selling point for small teams that need multi-user access without incurring extra fees.

Xero is an excellent choice for businesses that value design, ease of use, and need to collaborate with multiple internal staff or external bookkeepers. Its strong feature set makes it a powerful contender for service-based and product-based businesses alike.

3. FreshBooks

FreshBooks started as an invoicing software and has since evolved into a full-fledged accounting solution, though it retains a strong focus on time tracking and professional invoicing. It is exceptionally popular among freelancers, sole proprietors, and service-based businesses like consultants, designers, and agencies. The user experience is highly intuitive, designed to simplify the core tasks of invoicing, expense tracking, and payment collection.

If your primary need is to send professional, customized invoices quickly and track billable time efficiently, FreshBooks is likely the best fit for your business. It generally offers a simpler feature set than QBO or Xero, which is perfect for micro-businesses that don't need complex inventory or payroll management.

[See Next Page for Tables with Plan Comparisons](#)

Detailed Comparison Table (QuickBooks Online)

Here is a comparison of the various plans by program, pricing, key features, and best fit for business structure. *Note: Pricing is subject to change and often involves promotional discounts.*

QuickBooks Online	Plan	Approximate Monthly Price	Key Features	Most Appropriate For
	Solopreneur	\$20	Income & expenses, basic reports, invoice and payment, receipt capture, mileage tracking – Does not use a double-entry accounting system	Best for one-person business
	Simple Start	\$30	Income & expense tracking, basic reports, invoice and payment sending, receipt capture, uses double-entry, can be used to run payroll and track sales tax	Freelancers, sole proprietors, and service-based businesses with no employees
	Essentials	\$55	Simple Start features + bill management, time tracking, 3 users, chart of accounts up to 250, multiple apps integrations	Growing service businesses needing to track time and pay bills
	Plus	\$85	Essentials features + inventory tracking, budgeting, project profitability, 5 users, recurring transactions, class and location tracking up to 40	Product-based businesses and project-focused organizations needing inventory and job costing
	Advanced	\$200	Plus features + dedicated support, custom roles, unlimited chart of accounts, inventory tracking, purchase orders, sales orders, enhanced reporting, up to 25 users, data sync with excel, custom report builders, unlimited classes and locations, workflow automation, backup and restore	Mid-sized businesses with complex reporting and multi-user access needs

Detailed Comparison Table (Xero)

Here is a comparison of the various plans by program, pricing, key features, and best fit for business structure. *Note: Pricing is subject to change and often involves promotional discounts.*

Xero	Plan	Approximate Monthly Price	Key Features	Most Appropriate For
	Early	\$15	Send 20 invoices/quotes, enter 5 bills, reconcile bank transactions, capture bills & receipts, W-9 and 1099 management	New businesses with low transaction volume
	Growing	\$40	Unlimited invoices/quotes, unlimited bills, auto-reconcile bank transactions (beta), capture bills & receipts, tailored financial health scorecards, customizable performance dashboard	Small to mid-sized businesses with high transaction volume and no payroll needs
	Established	\$70	Growing features + multi-currency, project tracking, expense claims	Established businesses operating internationally or needing project and expense management

Detailed Comparison Table (FreshBooks)

Here is a comparison of the various plans by program, pricing, key features, and best fit for business structure. *Note: Pricing is subject to change and often involves promotional discounts.*

Program	Plan	Approximate Monthly Price	Key Features	Most Appropriate For
FreshBooks	Lite	\$19	Unlimited invoices, unlimited expenses, send estimates up to 5 clients maximum, accept credit cards, basic reports (advanced payments, team members, payroll are add-ons for this and all plans)	Freelancers and self-employed professionals focused on simple invoicing
	Plus	\$33	Lite features with 50 clients maximum + automatic bank import, time tracking, double-entry accounting reports, unlimited proposals, client retainers, accountant access, automated expense receipt capture	Service businesses tracking time and needing basic double-entry reports
	Premium	\$60	Plus features + customizable chart of accounts, project management, customized and automated client emails with dynamic feeds	Growing service businesses with projects and additional team members
	Select	Custom	Dedicated account manager, lower payment processing rates, custom features, lower credit card fees, securely accepted credit card payments, secure card storage, automated credit card charges, line-item bill capture, two users (no extra fee)	Large-scale service businesses with specific integration or advanced needs, Freshbooks branding removed from emails

Factors to Consider When Choosing

Selecting the right software goes beyond just the price tag. Here are a few crucial factors to guide your decision:

Ease of Use and User Interface

If you're not an accountant, you need software that is intuitive. FreshBooks is often cited as the easiest to learn, especially for invoicing. Xero strikes a great balance with its clean design and powerful features. QBO, while powerful, can have a steeper learning curve.

Integration with Other Tools

Your accounting software needs to play well with your existing ecosystem. Do you use Shopify for e-commerce, Stripe for payments, or a specific CRM?

- **QBO** has the largest app marketplace, making it the king of integrations.
- **Xero** also has a robust and high-quality selection of integrations.
- **FreshBooks** is catching up but focuses primarily on payment and time-tracking integrations.

Scalability

How fast do you expect your business to grow?

- **QBO** is built to scale up from the smallest micro-business up to a large, small-to-mid-sized enterprise.
- **Xero** is highly scalable but tends to top out before QBO's higher-end offerings.
- **FreshBooks** is best suited for freelancers and small teams. If you plan to hire 10+ employees and manage complex inventory, you may eventually outgrow it.

Accountant Access

If you work with an external bookkeeper or accountant, ensure they are comfortable with your chosen platform. As the market leader, **QuickBooks Online** familiarity is almost guaranteed. **Xero** is widely adopted, and most modern accountants are proficient. **FreshBooks** has made strides but is less common among general practice accounting firms.

Payroll

Do you plan to hire employees? Payroll functionality is a major consideration.

- **QBO** offers powerful, integrated payroll services for an additional monthly fee.
- **Xero** integrates seamlessly with third-party payroll providers (like Gusto) or its own Xero Payroll service in some regions.
- **FreshBooks** integrates with third-party payroll apps, as it does not offer its own in-house payroll.

Conclusion

The best accounting program for your business is the one that you will best be able to use.

If you are looking for the most comprehensive feature set and need an industry-standard platform that can grow with you indefinitely, **QuickBooks Online** is the go-to choice.

If you are a design-conscious small business or agency that needs unlimited users, great bank reconciliation, and a clean, modern interface, **Xero** offers a compelling alternative.

If you are a freelancer, consultant, or small service-based business whose main priority is world-class invoicing and time tracking, **FreshBooks** will simplify your life and maximize your cash flow.

We recommend using the free trial period offered by all three companies before making your final decision. You can sign up for a trial period on their respective websites:

<https://quickbooks.intuit.com/products/>

<https://www.xero.com/us/pricing-plans/>

<https://www.freshbooks.com/pricing>

We hope this has been helpful for your business purposes. Please find us at:

<https://www.hunter-bookkeeping-llc.com>, where you can schedule a free consultation.