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Our ref: IM-70690
Contact officer: Adrian Hughes / Nigel Vise
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21 October 2020

Dear Interested Party

Re: Request for submissions: MYOB's proposed acquisition of GreatSoft

The Australian Competition and Consumer Commission is seeking your views on the proposed acquisition of GreatSoft Pty Ltd (Australia) by MYOB Invest Co Pty Ltd.

MYOB provides desktop-based practice management software to accounting practices, to assist with time sheets, billing and collection, customer relationship management and resource planning. GreatSoft provides cloud-based software with similar functions. Further details regarding the acquisition can be found at **Attachment A**.

The ACCC is seeking your views on:

- how closely MYOB and GreatSoft compete with each other in the supply of practice management software to accounting practices,
- the functionality accounting firms require in practice management software,
- the availability of alternative practice management software providers, and
- the likelihood of new entry by software providers.

Further issues you may wish to address are set out in **Attachment B**.

This matter is public and you can forward this letter to anybody who may be interested.

The legal test which the ACCC applies in considering the proposed acquisition is in section 50 of the *Competition and Consumer Act 2010*. Section 50 prohibits acquisitions that are likely to have the effect of substantially lessening competition in a market.

Please provide your response by no later than **5pm on 12 November 2020**. Responses may be emailed to mergers@acc.gov.au with the title: *Submission re: MYOB / GreatSoft - attention Nigel Vise/Adrian Hughes*. If you would like to arrange a time to discuss the matter with ACCC officers, or have any questions about this letter, please contact Adrian Hughes on (03) 9658 6545 or Nigel Vise on (03) 9290 1468.

Updates regarding the ACCC's investigation will be available on the ACCC's Public Mergers Register at ([ACCC mergers register](#)).

Confidentiality of submissions

The ACCC will not publish submissions regarding the proposed acquisition. We will not disclose submissions to third parties (except our advisors/consultants) unless compelled by law (for example, under freedom of information legislation or during court proceedings) or in accordance with s155AAA of the *Competition and Consumer Act 2010*. Where the ACCC is required to disclose confidential information, the ACCC will notify you in advance where possible so that you may have an opportunity to be heard. Therefore, if the information provided to the ACCC is of a confidential nature, please indicate as such. Our [Informal Merger Review Process Guidelines](#) contain more information on confidentiality.

Yours sincerely



Sheridan de Kruiff
Acting General Manager
Merger Investigations

Attachment A

MYOB

MYOB is a privately held company that provides software solutions to businesses and accounting practices in Australia and New Zealand. As part of its service, MYOB provides desktop-based practice software to accounting practices.

MYOB offers accountant customers two desktop-based product suites through its practice software:

- MYOB AccountantsOffice, which has been developed for small and sole practitioner accounting practices, and
- MYOB AccountantsEnterprise, which has been developed for medium to large, multiple-partner accounting practices.

Each of these product suites includes a practice management module (in addition to document management, tax, accounting and compliance modules).

GreatSoft

GreatSoft is owned by GreatSoft Proprietary Limited, a South African software development and integration platform company. GreatSoft was established in Australia in 2018 and has developed a cloud-based practice management solution for accounting practices. GreatSoft does not develop tax, accounting or compliance software, but rather partners with third party integration partners to access their cloud-based modules via its practice management solution.

The proposed acquisition

MYOB proposes to acquire 100 per cent of the issued capital of GreatSoft.

Attachment B

1. Please provide a brief description of your business or organisation.
2. Please outline the reasons for your interest in the proposed acquisition, including any commercial relationship/s with either MYOB or GreatSoft.

Practice management software

3. What practice management software does your accounting practice use, if any?
4. Please indicate which provider supplies your accounting practice with practice management software. In doing so, please also provide information about the size of your practice and how many users can access the practice management software.
5. Please identify specific functionality that you require from practice management software, and which products you consider are able to offer that functionality.
6. Have you changed your practice management software for your accounting practice in the past two years, and if so, please indicate who your previous provider was. Please briefly describe the reason for making the change.
7. Please identify any providers, including GreatSoft, that have approached your practice to trial or switch to their practice management software, and your response if so.
8. Please discuss how closely MYOB and GreatSoft compete in the supply of practice management software to accounting practices. In particular, please comment on whether there is anything unique about MYOB or GreatSoft's practice management software. Please provide specific examples where possible.
9. Please identify alternative suppliers of practice management software and comment on how they compare to MYOB and GreatSoft in terms of functionality, pricing, services, whether they are appropriate for your practice, and indicate whether they provide cloud-based or desktop-based software.
10. Discuss how closely desktop and cloud based products compete. Please specify any reasons why you would not or could not use desktop or cloud based products at your practice.
11. What impact will the proposed acquisition have on competition? Please explain your reasons.

Competing suppliers

12. When selecting a practice management software provider, please describe the key factors that influence your decision (such as fees, quality, service, whether the provider is desktop-based or cloud-based, the feature set of the software, etc).
13. Please provide specific examples of any vigorous or effective competitors in the market, which compete in terms of price discounting, promotional activity, product innovation or new technologies.
14. If a combined MYOB GreatSoft were to increase fees, how would your accounting practice respond? For instance, would your practice switch to an alternative practice management software provider? If yes, please identify which practice management software providers you would consider and why.
 - a. In your response, please comment on time and cost involved in switching, as well as any examples of your practice switching in the past.

New entry and expansion

15. Please identify potential new providers of practice management software that could expand to compete with a combined MYOB GreatSoft. In your response, you may wish to consider the following:
- a. Current economic and pandemic climate
 - b. Estimated time and cost of entry, and the extent to which such costs would not be recoverable upon exiting the market
 - c. Any regulatory or legal barriers
 - d. Brand loyalty
 - e. Any examples of how entry, exit or expansion has occurred in the past
 - f. The extent that cloud-based software may enable new entry
 - g. Any other barriers to entry/expansion.

Other information or competition issues

16. Please provide any additional information or comments, or identify other competition issues, that you consider relevant to the ACCC's consideration of the proposed acquisition.