

A man with a beard, wearing a dark suit jacket over a light-colored shirt, is shown in profile from the chest up, looking out of a large window. The window looks out onto a city skyline with several tall buildings under a bright, hazy sky. The lighting is warm, suggesting sunrise or sunset. The overall mood is contemplative and forward-looking.

sage

EMBRACE TOMORROW:

HOW TO FUTURE-PROOF
YOUR PRACTICE

The future of the profession is now

No one likes to hear that their profession is being disrupted.

You've spent years studying to become an accounting professional, built your skill set, earned your clients' trust and established a successful firm, mainly based on using traditional accounting services.

But the hard truth is that the professional services business model is not immune to the market trends and disruptive influences transforming the economy at large. And yes, that includes the accounting profession.

In recent years the accounting profession has been undergoing significant changes, welcoming new services and innovative technologies that present both challenges and opportunities to accountants and bookkeepers.

The tax return, once regarded as the jewel in the crown for accounting services, is on the wane.

In the U.S., IRS data revealed that the use of tax professionals for e-filing tax returns declined by nearly 6% between the 2009 and 2015 tax seasons. While in the U.K., a digital tax system that is set to be rolled out to the majority of taxpayers could reduce the perceived need for an accountant.

Disruptions like these are happening the world over, forcing accounting professionals to rethink their business strategy.

So what do you do? There's really only one answer.

Experts tell us that as accounting professionals, you need to embrace technology and the increase in your clients' expectations. In short, your practice needs to become **future-proof**.

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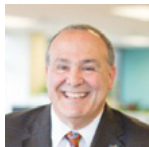


What is a future-proof practice?

Accountancy experts across the globe have shared their thoughts on what defines a future-proof practice.

Tom Hood, President and CEO of the Maryland Association of CPAs (MACPA) and one of Accounting Today's Top 100 Most Influential People, constitutes a future-proof practice as "purpose driven, flexible and focused on really adding value with proactive services to their clients."

And Doug Sleeter, founder of accounting membership community Sleeter Group, ranks agility as the most important attribute of a future-proof practice.



Tom Hood,
President and CEO of the
Maryland Association of CPAs



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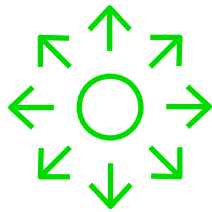
"Accounting professionals must understand that in this fast-paced change environment, agility trumps ability. No matter what skills staff have today, they must focus on staying agile with business models, client offerings, and new technology solutions."

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*– Doug Sleeter, Founder
Sleeter Group*



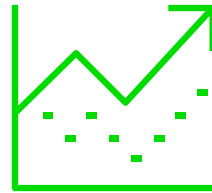
Taking these expert opinions into account, we break down the three key characteristics of a future-proof firm:



They embrace value-added services

A future-proof firm embraces the need to go beyond core accounting services and starts providing value-added services like real-time business monitoring, monthly business reviews, CFO services, and controllership.

They also embrace the need to go beyond core accounting services and provide value-added services like strategic business planning and real-time financial monitoring. Adding more strategic value paves the way to a value-based pricing model, which allows your customers to gain a greater view of what you're providing for them.



They use technology to their advantage

Future-proof firms embrace new technologies that empower them to add new clients and grow profitably. That includes becoming cloud-enabled and taking advantage of mobile and anytime, anywhere capabilities.



They become a '365 firm'

To adjust to the ever-changing accountancy landscape and efficiently serve their clients, future-proof professionals have to transform their practice into a 365 firm, which is a practice that strives to become its clients' most trusted business partner—not just at tax time, but all year round.

Now discover what's powering the move to becoming future-proof.

What's driving the transformation of the accounting profession?

The answer? Technology.

Research has shown that many jobs in the professional services field are prime candidates to become automated in the near future.

Indeed, cognitive artificial intelligence is expected to replace 30% of business consulting resources by 2017,¹ while Big Four accountancy firm Deloitte predicts that more than a quarter of jobs in the business services sector are at high risk of automation in the next 20 years.²

How does this transformation impact the accounting profession?

Daniel Susskind, lecturer in Economics at Balliol College, University of Oxford and co-author of *The Future of the Professions: How Technology Will Transform the Work of Human Experts*,³ believes that accountants and bookkeepers should align their ways of working with the continuing evolution of technology, and offers a glimpse into how accounting professionals will be working in the future.



Daniel Susskind,
lecturer in Economics at Balliol
College, University of Oxford

As Susskind notes in his book, we tend to think of professions as monoliths of a sort: physicians do doctoring, attorneys do lawyering, accountants do accounting, and so on. However, the reality is much more nuanced. When we look more closely, professionals perform varied tasks and are engaged in many different activities.

Technology, Susskind argues, changes those tasks and activities that are bundled within every professional's job. Social, mobile, cloud and analytics capabilities open up entirely new possibilities for those in the accountancy profession.



Jobs in the business services sector are at **high risk** of automation in the **next 20 years**

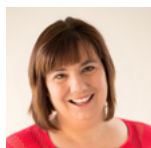
– Deloitte (2016)



In a recent interview with Ed Kless, senior director of accountant solutions for Sage, Susskind argues: “Accountants can and should be reevaluating what’s possible for them to do now—most notably, offering advisory services and ongoing, real-time services”.⁴

Jody Padar, CEO of New Vision CPA Group and author of *The Radical CPA: New Rules for the Future-Ready Firm*, agrees with Susskind's thinking, and urges accounting professionals to regularly change the way they work through technology because “we know that the world is changing faster than ever before.”

“If you look at things such as mobile, you know around five years ago nobody cared about using a phone, but now we are all living our lives connected to our apps,” continued Padar.



Jody Padar,
CEO of New Vision CPA Group

“However, as accountants we haven’t necessarily changed our business models to deal with the evolution of technology. So the idea of a future-proof practice to me is a practice that fundamentally, holistically rethinks its business models so we’re able to keep up with change. So when a new app or a new bot comes out, we can fluidly move with the changes that are happening around us.”

Now that you understand what’s behind the move to becoming future-proof, embrace the move using the following tips.

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– Daniel Susskind,
co-author of *The Future of the Professions: How Technology Will Transform the Work of Human Experts*

⁴ Sage Advice Podcast (2016)

How do you become future-proof?

We've established that technology is a major component in the transformation of the accounting profession, so it's critical that accounting professionals confront disruption by embracing the latest tools and introducing themselves and their colleagues to new ways of working.

A future-proof firm is laser-focused on:



Embracing the move to cloud technology.



Taking advantage of mobile and anytime, anywhere capabilities.



Becoming a 365 firm to your clients.

Let's consider each of these priorities in more depth.





Embracing the move to cloud technology

According to our research, 87% of small businesses want cloud-based services, yet less than 15% of accounting software that serves them is cloud deployed.⁵ This shows that the demand for cloud technology is out there, and it's only going to get bigger.

Be one step ahead of the competition and keep up to date with the latest accounting technology.

Cloud-based services offer numerous benefits to clients and firms alike, including speed, efficiency, reliability, and enhanced customer service. Jody Padar has already incorporated cloud technology into her practice and believes that it's the main driver to her firm's success.

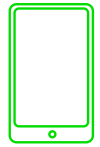
"Your firm should be built with technology at its core. Accounting professionals shouldn't say 'oh, I use technology to do my work'—technology should be part of your end result. So when I sell a tax return, I sell technology as one piece of the service and it's priced as such."

"Your firm should be built with technology at its core."

— Jody Padar, CEO of New Vision CPA Group

⁵ Sage (2015)





Taking advantage of mobile and anytime, anywhere capabilities

Ask yourself, why shouldn't you be able to advise your clients from anywhere you want, all from the palm of your hand?

Business applications have given us in-the-moment, real-time access to data. If they're not demanding it already, your clients will soon expect mobile capabilities from all of their professional services providers, including accountants and bookkeepers.

One accounting professional who has already taken advantage of mobile technology is **Juan Castro**.

The experienced bookkeeper and president of Kentucky-based firm The JCC Group encourages his clients to use mobile technology to help them control their business while on the move.

"A lot of our construction clients require the ability to create invoices on the go. By simply going on the cloud, they can create that invoice. We take care of all the other information and at the end of the month we can give them solid financial statements."⁶

By using cloud technology on a mobile device, Juan is able to maintain a healthy and profitable relationship with his clients, from anywhere in the world.



Watch how Juan and his firm embraced the cloud





Becoming a 365 firm to your clients

According to the International Federation of Accountants, 93% of small businesses value accountants as their source of business advice,⁷ so the need to be there for your clients 365 days a year is of paramount importance.

There are a number of ways you can become a partner to your clients, with technology again at the core. Using cloud technology, not only can you set Key Performance Indicators (KPIs), enabling your customers to hit achievable targets, but you can track their progress against those targets with up-to-date data, identify opportunities and issues on a timely basis and provide advice to your clients accordingly.

A future-proof firm is all about helping clients beyond core accounting. More importantly, it's about forming "customers for life" throughout all 365 days of the year, not just periodic transactions usually around tax time.

Hood believes that this can be done by using technology to galvanize your workforce, which will push you towards becoming a 365 firm.

"Future-proof firms are going to need really great remote technology; that's where the cloud comes in. Then they need a workforce who's capable of using that technology.

"Then they have to serve their clients with more of a team approach, because for one person to be 'on' 24 hours a day, 365 days a year—it's not going to work very well—so they need to have some good ways of supporting those clients across that practice area with a team-based approach. That's where remote technology comes into play."

"Future-proof firms are going to need really great remote technology; that's where the cloud comes in."

– Tom Hood, President and CEO of the MACPA

⁷ IFAC (2016)

Your journey to the future starts today

You now understand why your accounting or bookkeeping firm needs to become future-proof, and you have a good idea of how to do it. The next step on your journey is to evaluate your practice by asking yourself the following questions:

- 1** Does your firm have a current vision or strategic plan, and have you shared this with your colleagues? You need to determine your “why” so you have a clear idea of how to move your firm forward.
- 2** Have you conducted a review of key processes when it comes to practice management as well as client services? It could be as simple as asking your current and even prospective clients: “If I could do one thing to help you better manage your business, what would it be?” This dovetails nicely into defining your plan for continually offering value-added services, which should be a cornerstone of your firm becoming future-proof.
- 3** When it comes to technology, what tools do you currently have in your toolbox—and more importantly, what tools do you need to innovate and move your firm forward?

Are you ready to embrace the opportunities lying ahead?

Get our essential resources for accountants and bookkeepers and improve your practice, today.

Take the next step >

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