



Mega Trends for 2020

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Biography

Daniel Richards is Strategic Partnerships Director and a member of the executive team at MyFirmsApp (<https://www.myfirmsapp.co.uk>), the global leader in Apps for Accountants and Bookkeepers.

Daniel has been involved in helping professional service firms grow and make the most of new techniques, strategies and technology for over 17 years. He is considered to be a thought-leader, is a renowned speaker, and is the go-to-guy for firms and professional bodies when it comes to Apps for accountancy firms.

He has hundreds of testimonials from large and small firms alike, has presented to thousands of firms through the MyFirmsApp and Insight webinars, and regularly speaks for the professional bodies and membership organizations.

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Abstract

Trends affecting the accounting profession continue, and as clients demand more, technology can drive better ways of working. According to research by Sage, the industry is on the cusp of an evolutionary change. As clients demand more, technology has the ability to delivery better ways of working. In this article, the author looks at what 2020 is likely to bring for the industry.

Introduction

As we welcome in the new year and decade, it's the perfect time to consider what has worked and what may need to change. According to the Sage *Practice of Now* report 2019¹, which took in the views of 3,000 accountants, this is exactly what those who took part have been doing.

Almost half (49%) say that they have reviewed their own business practices in the last year and are consciously considering how to future proof their firms to make sure they are ready not only for the next year but for the next decade.

Trends affecting the accounting profession continue, and as clients demand more, technology can drive better ways of working, and the core beliefs previously driving the profession should now be re-evaluated.

Developing an understanding of the trends affecting the accounting profession is important when it comes to putting together a strategic plan and undoubtedly,



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everyone will have their own ideas about what is set to take major stage in 2020. Here are our top five:

1. **Digital Revolution**

The increased digitization of tax, mandated by governments worldwide, has in part contributed to a review of business practices. Legislation that requires businesses to take submit tax returns online is bringing about a sea change in the way accountants interact with their clients.

Practices are having to re-engineer for the digital age and this provides a unique opportunity to help clients navigate their own digital journeys. Giving them their first digital tools and showing them, for example, how to capture expenses on their smartphones and tablets will help position the accountant as more than just a technician and very much, as trusted advisers working at the heart of their clients' businesses.

We know that clients are demanding more from their accountants and they expect their advisors to digitally engage with them in the way that they want, need and expect. In a new report by Forrester into the changing preferences of financial consumers, a massive 73% said they believe they should be able to accomplish any financial task on a mobile device and that digital should be 'woven' through the entire customer experience.

Forward thinking accounting firms globally are responding by employing new technology and implementing a mobile communications platform that provides a central place for all things financial within the accountant's own App.

All the different systems and apps can be integrated into a single platform and rather than wading through numerous 'best of breed' Apps on their mobile devices, clients can save time by accessing their accounts, finance and tax information and systems through the icon for a single App.

Having a bespoke App opens the door to ongoing communication with high value clients that increasingly expect their accountant to meet them where they spend most of their time: on their smartphones and tablets.

2. **Cloud**

By 2026, the global market for accounting software will have a value of 11.8 billion dollars according to U.S. Accounting Today.

The arrival of cloud computing or cloud accountancy has been hugely transformative in how accountants work on a day to day basis and communicate with their clients.

By allowing accountants to perform accounting tasks from any location as well as the ability to deliver financial information and reports through the cloud there is more time to engage with the client and focus on business strategy instead of getting burdened with detailed processes.



However, it is worth noting that while cloud may become even more dominant in 2020, desktop and enterprise software will still be used extensively. When QuickBooks online reached 3.6 million subscribers worldwide at the end of 2018, it was revealed that 80% of those online subscribers are first time users for any kind of accounting software. This suggests that users aren't migrating from desktop to the cloud; they are starting online.

As we enter 2020, accountants are set to play a pivotal role in introducing businesses to the cloud and those that do will gain the opportunity to advance their roles as trusted, value-added advisors and data analysts.

3. **Artificial Intelligence**

Artificial Intelligence is an exciting prospect for accountants as there is the potential to effectively add a 'virtual' member to the team that is available 24/7 to answer multiple questions and carry out simple tasks even when the office is closed. This emerging technology will be used in the day-to-day running of firms allowing complex and repetitive tasks to be automated with AI, machine learning and robotics with extreme accuracy. According to global research by Sage in 2019, 58% of accountancy professionals are expecting to automate tasks using AI solutions within the next three years.

An entirely new generation of Apps can see, hear, speak, understand and interact with the world around them. Being able to add a voice or text chat interface to create bots on mobile devices that can help with basic tasks is set to transform how accountants respond to customer requests and make them more productive.

4. **Realtime Connections**

In 2020, more accountants will be connecting with their clients in real-time and benefiting from greater security and transparency. Recording transactions that used to take hours or days now take minutes or seconds and if a change is made by one party, everyone with access will be able to see this change as soon as it's validated.

Employing digital tools such as mileage trackers provides an ideal first step towards engaging clients with digital technology and they keep the accountant and client connected. For example, the tracker will auto-detect a trip using a state-of-the art algorithm so the Accountant's App on the client's smartphone tracks in the background meaning there is less chasing for the client's business mileage when completing the end of year tax return. Details of the trip can be sent to the accountant at the click of a button or as an email attachment, wherever there is an Internet connection.

5. **Planet Friendly Approach**

The climate is an incredibly hot topic at the moment and papermaking uses a tremendous amount of energy and natural resources. As we start the new



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year, there will be an expectation that everyone will need to help meet the steep targets being set and one way is to reduce the 'paper footprint'.

Despite repeated calls to cut paper usage, we are being told that paper consumption is at an unsustainable level globally having increased year on year and quadrupled over the past 50 years. The burning of trees for energy for pulping is the single biggest source of emissions by the industry (40%) and responsible afforestation globally is essential to meeting new international climate targets.

A thorough review of paper usage will undoubtedly show up areas where a paperless approach can be adopted and reassuringly, new tools, developed specifically for the accountant, can help towards this goal. For example, the signing of tax documents and declarations with digital signatures that can be emailed between the firm and client are not only secure, they speed up approval processes and bring about a closer connection through the sharing of documents in real time.

Another way of saving paper includes distributing content, including reminders about tax deadlines and newswires, digitally so that the message appears on the home screen on clients' smartphones within the accountants' own branded App.

Looking forward

During the last 20 years technology has accelerated at such a rate and has transformed the accounting profession – and this rate shows no sign of slowing.

Is the profession doing enough to keep up with changing technology? Well, 85% of accountants believe that the profession in their country needs to pick up the pace of technology adoption to remain competitive internationally, the Practice of Now report 2019 reveals.

When asked why firms are lagging, reasons stated include a lack of time and money to invest in digital transformation (13% and 38%, respectively), although 25% of firms state a lack of expertise is holding them back.

The new year brings with it new opportunities and digitization is the key trend that will dominate the profession. Accounting firms that are looking for sustainable and long-term success will need to ensure their clients can accomplish any task relating to their finances on a mobile device. A relatively low level of investment is all that's required to implement a mobile communications platform that will enhance the client experience by delivering engagement on their smartphones and tablets 24/7. The future is already here, and firms can no longer hold back if they want to remain competitive in the next year and decade.

Reference

- ¹ Sage, Practice of Now, https://get.sage.com/ACS_19Q3_NCM_CA_DGWW_GLACCT_PracticeOfNowReport