

WHAT ACCOUNTANTS COULD DO NEXT



**A conversation with
Mandy Bagot, Head of Outsourcing
Silver Levene**

Extract from a book commissioned by:



Powerful Accounting Software

Introduction

If technology has resulted in arm's length commodification of services, is it also providing the accountancy profession an opportunity to develop a closer relationship with the client?

A book commissioned by iplicit, to be published by DECISION magazine, looks at how IT has a role in enabling a practice to add value, whether in fact technology can assist the migration to providing a more advisory role and service to the client.

This is one of the papers to be included.



Rather more than just the numbers

• **How is an accountancy practice able to provide value-added to the client in service areas which are becoming more commodified and price driven? Can technology assist the migration to providing a more advisory role and service to the client?**

Mandy Bagot, Head of Outsourcing, Silver Levene: “Let’s talk about compliance. Because of technology, you could argue that it is fast becoming a commodified process and so it removes a differentiator between service providers, but technology is double edged.

“Technology gives accountants additional ‘tools in the box’, to identify reasons to have talking points with the client. But a practice has to be able to find ways to sell what has previously being given free, because advice has traditionally been provided reactively, as part of the audit for example, rather than proactively.

“I would say the role of the accountant which has to be communicated is about how we can help clients deliver the dream, and to do that means the profession needs to find ways





Mandy Bagot

of having a more continuous dialogue with the client, helping them to set and adjust their goals, to talk through issues such as e-commerce or to pro-actively suggest funding opportunities.

“Before there would have been the annual client review, but now the accountant has to provide more of a business coaching and mentoring role as part of the offer to enable the client to achieve their business and personal objectives.

“For that to happen, accountants have got to do more than focus on the numbers. They will need business coaching to become business coaches, but they will get a real buzz from what that enables them to do for the client. Traditionally accountants were just driven by the numbers, but no matter how good they are at them, that’s not going to be enough in what is a whole new world brought about by technology.



“The response from a traditional accountant is that an SME isn’t prepared to pay for that advice, but if that’s the case it’s because the client needs an advisory proposition, rather than ‘advice’ being tacked onto a compliance or regulatory service.”

• **Can technology assist the migration to providing a more advisory role and service to the client?**

Mandy Bagot: “Instead of just producing the financials, budget against actual, technology will enable the accountant to put the emphasis on identifying the reasons behind the figures.”

• **Is there a risk that the actual functionality of accounting software is becoming commodified and that ironically companies are getting less sophisticated information at a time when there is growing complexity?**

Mandy Bagot: “There’s always going to be that ‘rubbish in, rubbish out’ scenario with data. Companies have the software tools to generate real time financial information but it requires more than pressing a button to take account of issues such as advanced income.

“Companies can assume they are doing everything correctly because software does all the calculations, but take VAT for example; it’s easy to include something which shouldn’t be reclaimed, such as a train fare. That’s the danger.



“Before the internet, companies just had to deal with cheques and card payments. Now there can be ten lines on an Amazon invoice which have to be analysed. And then there’s the question of how much actually needs to be analysed. I once saw a bookkeeper analysing every one of the twenty lines in a car service bill because that’s how the invoice had been laid out.”

• Where, in your experience do companies fail to get the best out of their accounting software, and why? And what specifically do mid-tier organisations require which isn’t being met by entry or enterprise level accounting software?

Mandy Bagot: “There is always going to be the possibility that any third party’s IT can cause you a problem. If they have an outage, it will be beyond your control but it’s stressful, for example when the owner manager has to renew the bank feed as a consequence.

“One of the reasons why companies don’t get the best out of their software is because they don’t ask for help, and their accountant doesn’t have a close enough relationship with them or the technical understanding to pro-actively offer advice.

“Faster decision-making is made possible with technology but I wouldn’t say that it is automatically more accurate unless checks are in place. Of course if every supplier delivered their invoices in the same format it would be easier for technology to ‘read’!”



• From your experience or observations, what are the catalysts which prompt a mid-tier company or accountancy practice to introduce new software? What are the issues which affect the decision-making process and timing - risk, worry about disruption at a time when organisations are increasingly busy, inherent reluctance to change, 'nobody got fired for buying IBM' syndrome, - and how in your view are they best addressed?

Mandy Bagot: “A growing company will find it increasingly difficult to work with ‘small’ software because they will find there are too many restrictions, less ability for the analysis levels they need, and everything is beginning to take longer.

“Compliance and in particular making tax digital is another factor, and that will become more apparent when HMRC apply technology which would enable them to drill down to single specific receipt.

“A growing volume of sales and logistics are also considerations. The complexity of transactions now means a company’s products can be shipped from different sources. Amazon marketplace, for example, has made a big difference because for the vendor it can mean someone else is doing the selling and picking.

“Then of course there is the realisation that a legacy system has had its day, that it is no longer possible to effectively integrate with what the company is going to depend on.”

www.silverlevine.co.uk



Mandy Bagot was in conversation with Larry Dillner, editor, DECISION magazine, and Paul Sparkes, commercial director, iplicit, for one of a series of papers to be published as a book in 2023.

About iplicit

Providing a cloud-based finance and management software solution that allows businesses to focus on what really matters. Tailored for those frustrated by on-premise legacy software, iplicit provides greater flexibility and enhanced levels of reporting, integrating with other cloud applications for a seamless migration path from a user's existing system, enabling organisations to 'step up' to next generation finance software without losing the functionality they currently enjoy. iplicit received the Accounting Excellence award for mid-market and enterprise software of the year in 2020, and the top product for enterprise accounting/ERP in the Accounting Web software awards, 2021.

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About DECISION magazine

First published in 1988, DECISION magazine reflects the business lifestyle, the trials and tribulations, the hopes and aspirations of directors and managing partners responsible for businesses with a turnover of £5million and above across the south of England and London.

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