

WHAT ACCOUNTANTS COULD DO NEXT



**A conversation with Becky Shields, Partner
Head of Data Analytics and Artificial Intelligence
Moore Kingston Smith**

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.



Opportunity to really step up

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?

Becky Shields, partner and head of the data analytics and artificial intelligence team, Moore Kingston Smith: “For the last ten years we’ve heard all about the impact of commodification on professional services, but as the world becomes increasingly complex, businesses need more advice and guidance.

“Rather than talk about commodification we should consider whether there are tasks which can be automated so an accountant firm can be more focused on partnering with the client on their journey, rather than continuing to spend time on low value manual tasks. The new generation isn’t coming into the profession because they want to do grunt work; they want to make a difference. I would argue that commodification frees us up to do the advisory work we should be doing, in addition, of course, to compliance services.





Becky Shields

“Covid-19 proved our ability to add value because in the first few months of lockdown, clients were talking to us more about operations and strategy rather than transactional matters.

“For an accountancy firm, the pandemic was a chance to step up and make a difference. We were able to demonstrate the value of our role as advisers and our understanding of what a client’s peers were doing because of our sector specialisation.

“So it also highlighted the importance of having true sector specialisation rather than defining clients by turnover size. As an adviser you have to have a particular knowledge of your client’s area of work.



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

Becky Shields: “IT is the facilitator to enable the move from retrospective to real-time information to take place in a way which couldn’t be done before. We can build a data pipeline from the client and a dashboard for them here so we can see what is happening. That means we get in touch with the client proactively at the right time because there is a point when an option or opportunity they could take is no longer viable.

“We look at a client’s tech stack to make sure it works for us both and that ‘financial’ is synchronising with ‘non-financial’. For example, a company in the entertainment sector was only able to keep on five out of its 600 full-time and casual people because of the pandemic, but after restrictions were lifted their manual recruitment process wouldn’t have enabled them to scale up quickly enough.

“They turned to us rather than their MSP to do the innovation scan because of our specialisation and experience in theatre, and that we had the necessary understanding of the processes relating to their sector.

“I think that is a reason why an accountancy firm’s digital transformation team has to be finely balanced with pure consultants, technical specialists with accounting qualifications, and accountants with a technology specialisation.”



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

Becky Shields: “You need to think process first, to define the outcome required, and to identify the lead and lag indicators. You then have to satisfy yourself that the software has what it takes to achieve what you want it to deliver, and also how much forward it will take the business.

“A reason though for an organisation investing in technology can be to keep up with the Joneses. One instance I can recall is when a firm's competitor introduced robotic process automation. The question is for what reason? You need to drill down to see if it could be a value to your business. In fact the competitor was using RPA on audits because the particular platforms it was using meant intervention was necessary to prevent errors.

“It was the right thing for them to do but what would be the point of another firm taking that course of action if they didn't have that problem. It wouldn't be of value to the client either.

“A business will often have disparate data sets so the core challenge is to bring them together to provide a single source



of truth. But mid-tier firms are having to contend with legacy systems, migration to the cloud and how to join up all their data.

“I would say you need to look at what a proposed new system is going to deliver which you aren’t getting in a frictionless way already. Firms need to be prepared to push the boundaries more. I’m the kind of person who would sit in front of a control panel and press the red button because I want to know what it will do. With IT you need to harness an agile, inquiring mindset otherwise you can end up locking down functionality unnecessarily.

“To get the best out of IT, the widest stakeholder group needs to be involved so once it’s in, you can gain the necessary feedback on what functionality isn’t being used. Is that because of the set-up? Perhaps the front end is working perfectly but people are having to paddle more furiously to make that happen, which isn’t sustainable.

“Even with their buy-in, people are more comfortable if new functionality is phased in. The whole thing is a continuous process. We keep revisiting to make sure our IT is still applicable to the way we work. The decision to do something would have been valid at the time it was made, but change is a constant. Users should never be afraid to challenge but if that is going to happen, a firm needs a consultative culture. And then after encouraging feedback, it has to be acted on.

“We will release a new tool to a pilot group made up of secretaries to partners and from every department and each location,





including people who are going to be the hardest to convince. Otherwise if every part of the firm isn't involved, it can give the impression that some are more important than others.

“They’ll use the new tool for two to three weeks, and this approach also encourages innovative thinking because users will ask if it can also do something which hadn’t been considered originally. Then if we deploy it in their department, we’ve already got super users in place who are also the first people colleagues will turn to rather than going straight to IT.

“Firms can be more disruptive now because their people are used to sudden change because of their experiences during the pandemic.”



• **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?**

Becky Shields: “Digital compliance with regulation means that organisations are having to build up their analytics capability. Our catalysts come from asking clients about the experiences they want, the way in which they want to communicate and provide and receive information. So our technology is based on client consultation.

“We need to be able to utilise IT to take out unnecessary administrative layers which are what can cause frustration, because that can only improve the relationship with the client. Otherwise, for example, a firm can give incredible tax advice but in the process loses a lot of goodwill if the client constantly has difficulty uploading documents.”

• **Where might IT add value to the accountancy practice going forward?**

Becky Shields: “By being forward looking! We are up-skilling our people to deliver a strategic growth programme we have developed which enables clients to score themselves on their business development, people management, innovation, and other key



factors. Then if, say, an employee engagement weakness emerges, we can provide a tool to help them introduce improvements. You could describe it as value added commodification because it still involves the advisory piece.

“Our core business is advisory and compliance but increasingly a client’s technology problems need a strategic input.

“And even with the most sophisticated software there is still a need for advisory input to identify and address implications. There is a piece of audit software that basically looks at transactions and tells us where there is a high risk of fraud. But while it flagged up at a company that specific work was being done out of hours which is when people committing fraud often tend to cover up what they have been doing, our advisory input revealed that a significant number of employees were working at weekends without saying anything because they were over-stretched, something the company hadn’t been aware of. A lesson that you can’t just focus on the core data and ignore analysing the metadata.”

Becky Shields 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.

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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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