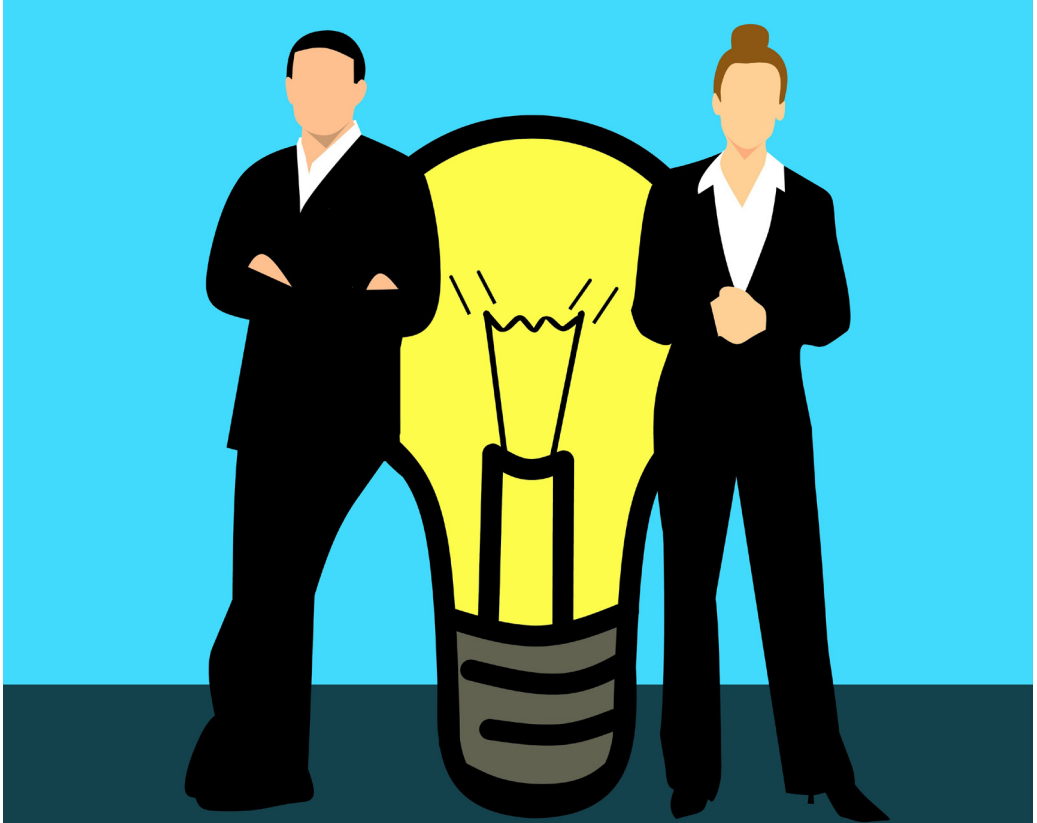# WHAT ACCOUNTANTS COULD DO NEXT

A conversation with Jason Mitchell
Partner, Head of Technology
MHA MacIntyre Hudson

Extract from a book commissioned by:

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.

Reality is that differentiators can't be taken for granted

How is an accountancy practice able to provide value-added to the client in service areas which are becoming more commodified and perhaps price driven?

"The reality is that the actual services provided by the larger accountancy firms are similar – so a USP has to be around personality but also efficiencies and deliverables. Technology should take the mundane away, and enable us to provide real-time advice, and the quality of that advice will be a differentiator.

"But the pace of technology, and what it brings, mean a USP today now has a shelf life in being that for the client. It quickly becomes an expectation rather than a value add."

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

"What I would say is that the holy grail of providing real time advice is totally dependent on the quality of the information

iplicit

Jason Mitchell

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put into the system. If what happens is the application of that old saying about data entry – rubbish in, rubbish out – it won't enable an advisor to suggest anything meaningful, whether in real time or not.

"Information sharing tools which lock on to a company's accounting software make the audit process more efficient and allow remote working, so there's no need for auditors to be on client premises for the duration. The tools also provide a trail as to who has asked for what information.

"Another benefit of information sharing is that data can be interrogated to look for unusual transactions, which are then flagged to enable the client to address things straight away.

iplicit

"And technology provides a reason for an advisor to be speaking to the client throughout the year, which should strengthen the relationship."

Where, in your experience do companies fail to get the best out of their accounting software, and why?

"It sounds so simple and obvious when you say it out loud, but a company's processes and systems should be synchronised with the requirements of the business.

"But for that to become a reality requires root and branch scoping and planning. I have seen the implementation of new systems with big data moves which have gone horribly wrong because of inadequate project management and poor integration.

"What I would also suggest is that rather than the catchphrase 'the computer says no', it should be the computer says 'so?'. Just because it came up with a debtors figure for example, how much of that is really going to crystallise into cash?

"What technology does is to take out any propensity for human error with the actual figures, but that has resulted in a mindset of assuming because the figure has been calculated by machine, it must be so. But what's also important of course are the issues behind that figure."

iplicit

From your experience or observations, what are the catalysts which prompt a growing company or accountancy practice for that matter to introduce new software?

"The realisation that the system is regularly glitching, or as a consequence of it dealing with too much data, the company can't access information effectively or analyse it sufficiently. It could be new tools can't be latched on to the system to provide the reporting the company wants. Eventually there's an acceptance that poor IT performance will only get worse if change isn't made, but there tends to be a high tolerance to pain with accounting software, as if clinging to the notion that where there's life there's hope!"

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

"It won't be considered unusual for example to use drones to do stocktaking, something which used to require going to a client's warehouse and checking inventory in person. So technology enables more tasks to be done remotely, not just meetings or homeworking. The technology to move forward is already here, but not perhaps the appetite to use it.

"It's as if we need an event, something forced on us, for immediate change to happen. Videoconferencing was hardly new but was barely used until Covid-19 struck. Overnight it became mainstream and now everyone is comfortable with it. I would

say technology should improve the client relationship, especially if they are based overseas. Previously an exchange of emails or a phone call would have been the only communication options."

What will the accountant look like in five-years time, in terms of their work and skill-set?

"A flip side to automation brought about by IT, which is quite interesting, is that those entering the profession have traditionally learnt their trade from doing the mundane work.

"My eldest daughter has just qualified as a chartered accountant after graduating in maths and IT, and an accountancy firm's graduate intake will have more of that mix. That said, while IT skills will continue to become more important, firms can address that by providing the necessary training. But what we also need are enquiring minds, people skills, the ability to analyse, in addition to numeracy and an understanding of technology.

"Accountants will need to be able to look under the bonnet to know how technology works as well as being able to use it."

Jason Mitchell was in conversation with Larry Dillner, editor, DECISION magazine, and Matt Lewns, partner manager, iplicit, for one of a series of papers to be published as a book in 2023.

www.macintyrehudson.co.uk

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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