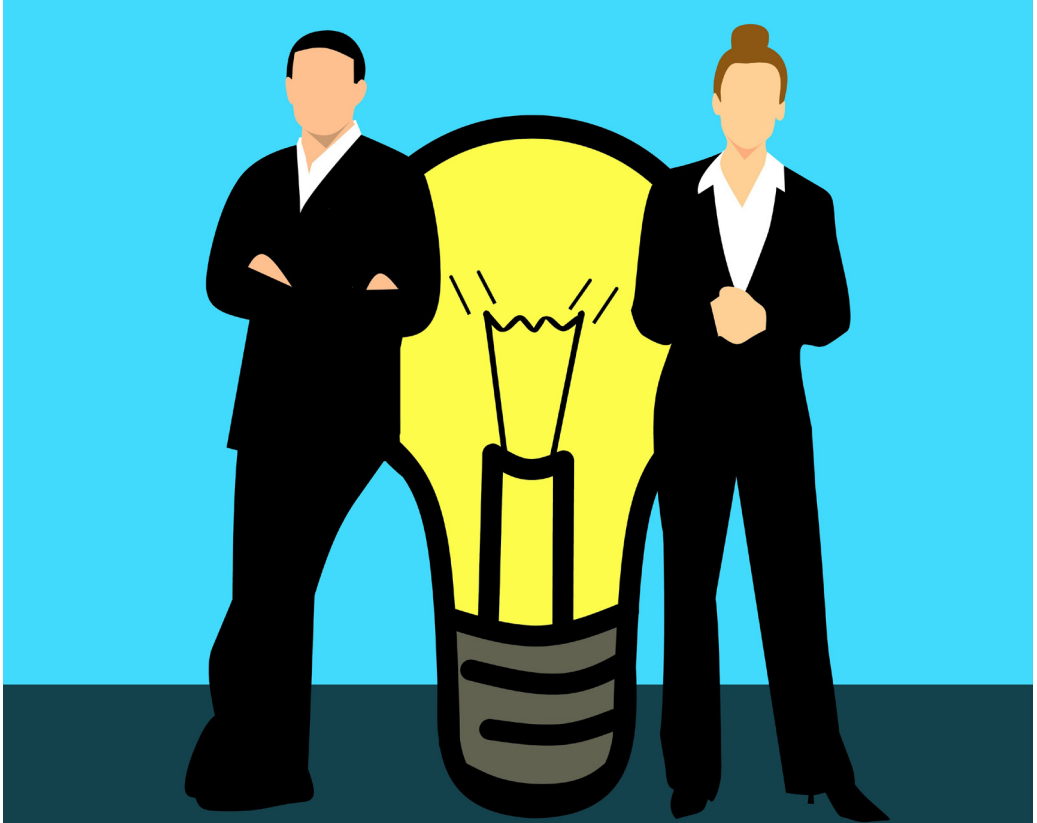# WHAT ACCOUNTANTS COULD DO NEXT

A conversation with
Russell Frayne
Head of Digital Accounting Solutions, Azets

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.

What has to be right at the forefront

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?

Russell Frayne, Head of Digital Accounting Solutions, Azets: "If we think this through, it can't be a case of one size fits all. SMEs are more likely to be sensitive about cost, so having a price point and delivering to it is necessary, and that is going to be tougher for traditional practices not using technology to its fullest extent.

"The challenge is how to deliver a value-added advisory service which is repeatable and scalable - so a firm can push more capability down from the higher charge rate staff to reduce the cost to serve and release time at the top end for really bespoke advisory work. In other words, there is a need to spread capability throughout the organisation.

"We need to harness technology to leverage client interaction, such as portals, a central depository for all their accounts, documents, deadlines, cashflow information, with signposts for easy access to the content. It's all a necessity because it will

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Russell Frayne

become increasingly difficult to add value if the client is only coming to you after the event.

"It's also important that when someone is online they can also make a request to talk to a person who can help them. I've always been an advocate that the client will only ask what are they fear is a stupid question face-to-face; they don't want to do it on Teams or with a chatbot.

"In order to scale, any business has to build from a sound technology base because the client experience has to be right.

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Technology has to be leveraged so delivery is at the forefront. That's how an advisory-based firm sustains a relationship in this digital age.

"An example of adding value? Creating data lakes would enable an accounting firm to use IT in a more insightful way to provide new advisory service offerings, such as being able to identify how a client in a particular sector is performing compared to its competitors.

"A lot has been said about this, but a reason why progress hasn't been made is that it all has to be built on a solid foundation of data quality, and many businesses haven't necessarily got to the stage where this can be delivered successfully. That takes time to embed across any organisation in order to optimise outputs and insights.

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

Russell Frayne: "If the data is structured and the input is right, technology is there to do the heavy lifting. Making tax digital has meant there has been a focus on change and as a result, organisations have seen the benefits of technology in providing valuable information and reducing the time required to produce it. For me, it's always been about implementing the technology in the right way. It can't be thrown at a business in the hope that it will stick.

iplicit

"Also we need to look at data quality. For me, and this has been for a long while now, data quality is the lynchpin for advisory services. You can't get meaningful insight from any financial software unless that has been addressed. And an accountancy firm can't really deliver an effective advisory service if the data is patchy.

"It can't be left to chance. We have a team set up just to make sure a client's requirements have been scoped, that technology enables them to innovate, automate, and optimise.

"Once the right platform for their way of working has been established, we lay out a roadmap which includes improvement reviews going forward in order to get the most insight from the data."

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

Russell Frayne: "Which brings us on to my biggest bugbear! Technology should always be about the people – customers and their staff have to be comfortable with using the system otherwise the company will be in a continual cycle of pain and fix.

"First and foremost, it's usually people using the technology in their day-to-day working lives who will inhibit its optimal use. If they haven't bought into it, been sufficiently trained and if as a result they aren't confident to use the accounting software, you are off to a losing start.

"Their buy-in doesn't happen automatically. Buy-in and change management is key to harnessing the people in the organisation to get the most from the technology, or any change for that matter. This is where the hard yards are, yet it's also where often the least amount of time is spent.

"When a business is implementing new accounting software, it needs to review the whole new way of working process end-to-end rather than lift and shift a single element and hope it delivers the efficiencies it is after.

"In terms of outputs, more often than not companies are happy to replicate existing reports or use the basic reporting set up in the software rather than understanding where the value of the outputs from the data lie.

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"Then there's the need for continual review. Again, too many bring in a new system or software and think that's it; they don't continually try to find ways to incrementally improve processes year-on-year."

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

Russell Frayne: "Legacy systems grew with little integration, and organisations can be prepared to accept an extraordinary degree of pain with them. Increased multi-entity, multi-currency requirements are two particular triggers for change, but the underlying reason is usually that the legacy system is beginning to creak and a significant problem emerges which no longer makes it bearable.

"There is a need to horizon scan, not just because a curveball can come in; a company will continually evolve. So it will be a matter of time before a growing business will need to scale out of entry-level software, while a mid-tier organisation will need to house an increasing amount of data in one place without numerous add-ons.

"Integrating data makes IT easier to embed because there are less moving parts. Another trigger for change is an increase in transactional volumes, which results in the existing system becoming more cumbersome."

What are the issues which affect the decision-making process and timing?

Russell Frayne: "The main issues I see are usually cost and whether there is the competency to deliver the change or transformation required. An owner-manager would have evolved their business, but to re-engineer what they have built to future proof it isn't a skill set which most business owners or traditional accountants will possess. So the can gets kicks down the road until it becomes an issue which impacts on the ability to deliver the service expected by the client. Eventually a business is forced to think there has to be a better way of doing this."

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

Russell Frayne: "By enabling and not leading. Also widening the scope of IT into things like data analytics, data lakes is key as well. The data insights that practices will be able to harness in the future have huge potential for their service offerings so having the foresight to allow for the continued scaling of their IT infrastructure to enable this shouldn't be overlooked."

www.azets.co.uk

Russell Frayne 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 later 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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