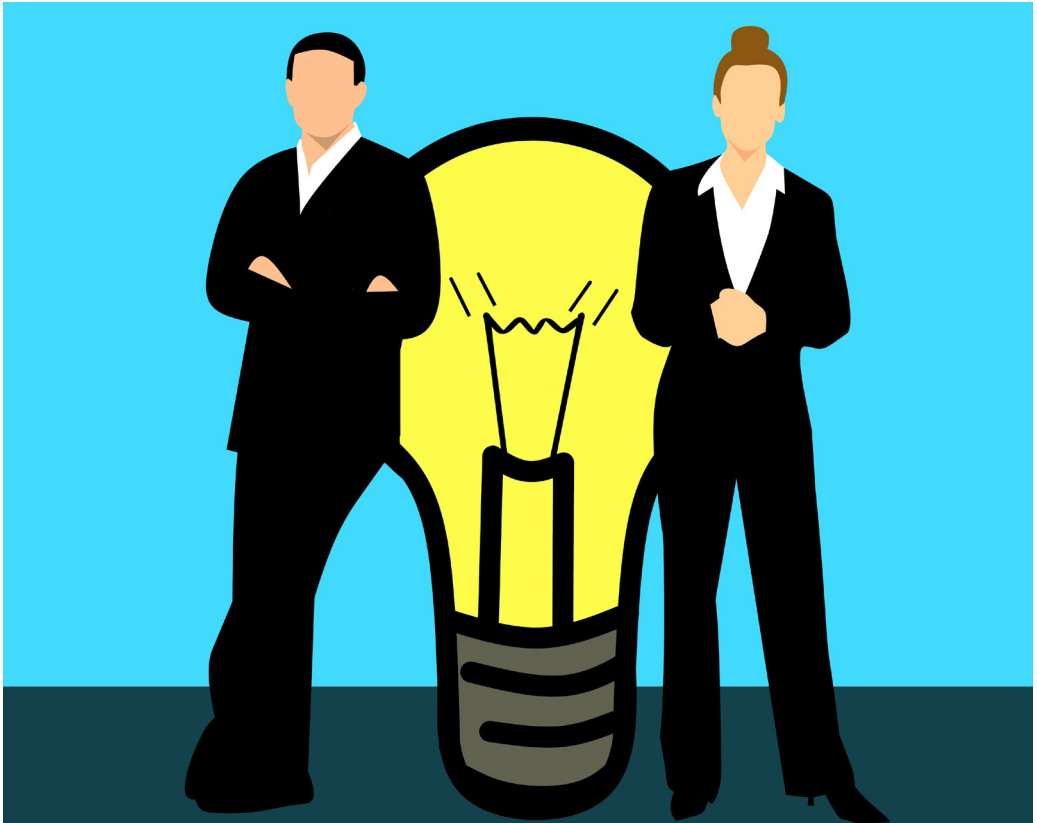


WHAT ACCOUNTANTS COULD DO NEXT



**A conversation with
Lara Brennan, Partner
Head of SME, Mazars**

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.



Demonstrating a change in thinking

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?

Lara Brennan, Partner – Head of SME, Mazars: “Companies are going to expect more than just a compliance service from an accountancy firm, if they aren’t already; they should be looking to their accountant to be more of a business partner who can also prepare their end of year accounts and tax return.

“Technology will continue to replace most of the traditional role of an accountant, so to add value for the SME, client services have to be advisory-led, such as business planning, how to adapt to changing market conditions, putting together a financial plan to underpin that and making sure it’s closely monitored.

“The pandemic should have been a pivotal moment for an accountancy practice to demonstrate the value of that kind of relationship. When Covid-19 struck, we spoke to all of clients to understand what they had to address and to see what support they needed, whether that was additional funding, time-to-pay





Lara Brennan

arrangements or a coronavirus job retention scheme claim. We were able to demonstrate the benefits of having conversations with your accountants more than once a year!”

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

Lara Brennan: “There needs to be a change in thinking by the profession about the business model. It isn’t sustainable if ‘advisory’ is something provided freely should a fixed-fee compliance client need something addressed during a process.

“Often there hasn’t really been any methodology for delivering cloud advisory and that time was usually just absorbed when



it should be badged and charged for. We spent time reviewing our own offering, at how we could use technology to provide analytics and insights which drive advisory services. And we have a separate advisory team which focuses solely in this area.

“I can see that in a few years time, the skill-set imperative for the accountant will not just be traditional accounting skills but an understanding of software and systems, so, for example, they are able to advise a client on driving productivity.

“This particular advisory input of the accountant won’t just be about accounting software but other applications which make up the digital landscape such as CRM, a booking system for a hotel client.”

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?

Lara Brennan: “The biggest driver is when the penny finally drops that the company has outgrown its existing system. What was fit for purpose even only a year ago is now not delivering, and one of the reasons could be the company isn’t able to effectively manage the increasing level of transaction volumes as before. They need to analyse time and other data more speedily; stock control is another prime example.

“The internal recipients of the outputs won’t necessarily be aware of those growing difficulties, so often change comes about





as a consequence of people at the sharp end having to vocalise their pain points.

“Some though will still resist change even with the growing shortcomings of their existing system, because they worry about how much additional time will need to be spent learning something new.

“And companies can err on the side of caution if people are still comfortable with what they know. But it’s only a matter of time before they are going to have to bite the bullet.

“If they don’t introduce change, an outgrown system will put efficiency and viability at risk.

“Let’s look at a company in the leisure sector which puts on different events defined by the genre, location, time of year. If it



can't immediately access financial information for each of them, then it is going to be more difficult to make informed decisions about future bookings or to scale effectively."

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

Lara Brennan: "Artificial intelligence is already in most software, finding and extracting for example in a thirty-page contract the specific detail required to perform the accounting role.

"Technology could replace much of what the accountant does on a technical level but it can't have a conversation with the client and offer bespoke advice taking humanity into the equation.

"Being an advisor is about empathy, not just the diagnosis of the requirement or problem. Who do you want the family business to be sold to; which shareholders need their money to be put into a trust? These are serious but difficult conversations and people aren't ready to have that type of discussion with a computer, even if it was possible.

"Anything of a repetitive nature, technology will probably replace in time, but that doesn't have to mean that traditional accountancy skills are no longer going to be a prerequisite for those joining the profession. Although we've moved on from the big red cashbook and pencil, the mechanics have continued to be taught, but differently."

www.mazars.co.uk



Lara Brennan 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.

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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