

Accounting Technology Game Changers

BY ROMAN KEPCZYK

There is no doubt that information technology has had a significant effect on the accounting profession. Every few years there comes a time when the convergence of trends and technologies creates a noticeable jump in improved firm productivity and 2012 will be remembered as one of those years when the profession changed. The evolution of hardware, applications, communications, and integrated accounting workflows are proving to be the accounting “game changers” for the decade ahead. By understanding how these game changing technologies can affect productivity, firms will be better prepared to anticipate the future of their practices.

Ubiquitous Computing

The first major game changer will be truly “ubiquitous” computing, meaning that accountants will be able to access firm computer resources 100 percent of the time through the Internet, which will be commonplace within the next two years. Today, most firms have solid, reliable Internet access in their own offices and most employees have good Internet access in their homes. The majority of remote workers will say that clients provide usable Internet access 85 percent to 95 percent of the time, yet most remote workers function as if they have to be self contained and have all of the applications and data running on the local workstation when they are in the field.

When employees work on audit binders on local C: drives, it exposes the firm to the security, backup, and stability issues that make remote work inefficient. The solution is to do all possible work through the Internet, back on the firm’s protected servers where the data runs more effectively and can be accessed by anyone who is authorized to do so. The advent of 4G digital cellular data networks is expanding the coverage to the remaining 5 percent to 15 percent of the time when users need Internet access to the point where this will evolve to being the only tool used to connect back to the firm as evidenced by larger firms and government entities that have already made the transition.

Secure Remote Access

Effective and secure remote access to the firm’s applications and data is the second major game changer, as firms effectively implement Microsoft Windows Terminal Server (WTS) and Citrix to build their own “private” cloud, or outsource applications to the cloud resources hosted by accounting and other application vendors. Firms with depth of technical resources will centralize all their servers and build their own private cloud networks for their personnel to access, either in their own data center or in a commercial provider’s facility when it is more secure and cost-effective to do so. Other firms will outsource to their accounting vendor’s cloud or with cloud integrators specializing in their applications, like [Xcentric](#), which again will be driven by the need for reliable technical resources, disaster recovery capabilities, and Internet enabled remote access for all accounting applications on multiple screens.

Advances in Hardware

The third game changer is not surprising. It is advances in hardware that can be used to access firm resources. Although laptop and home desktop computers were traditionally used for remote work, firms are adopting a slew of Internet-enabled equipment (e.g., tablets and smart phones). These tools, including workstations, can all be lumped into a new category, which was referred to as Personal Internet Devices (PID) at the 2012 Consumer Electronics Show. Over the next few years, all accountants will choose and use the combination of these tools that best fit their personal work profile. For auditors, it may well be a smart phone with a built in “hot spot” or MiFi Internet access point and the super slim ultra-portable laptops and MMT2 and Toshiba mobile monitors. When these devices are packed together, they

fit into virtually the same form factor as their previous generation of laptops, eliminating much of the weight that auditors have had to live with. Owners and tax personnel may choose to carry a tablet to review larger documents or to use as a second screen, and everyone will have the smart phone of their choosing. Whether it is an Apple iPhone, Android, or Microsoft Mobile device, all will be used effectively to access email as well as to enter daily time sheets and expenses.

Digital Workflow

Finally, the biggest game changer for the foreseeable future will be digital workflow, which is the integration of applications and tools that rewrite how data is managed and moved through the firm. Firms are finding that the key to success is being able to capture data at its “root” source when it is created and effectively manage it through final delivery of the service in a completely electronic format. This entails using secured emails and portals as a conduit to transfer data from the client to the firm. A properly implemented portal notifies the appropriate persons within the firm when documents are uploaded so they know when they can begin work. Using projects within Practice Management, or more likely dedicated workflow tools (e.g., XpiTax XCM and WorkStream) manages the capturing of these source documents and routes them to the appropriate person, while at the same time keeping firm leaders apprised of the status of all projects. Digital dashboards (i.e., Practice Intelligence) will apprise firm management on key performance indicators on a near real-time basis so they can adjust the workflow on a daily basis.

For tax personnel, the use of intelligent bookmarking tools (i.e., FxScan), onscreen annotation tools (i.e., PDFlyer), and intelligent optical character recognition (i.e., AutoFlow) is having a significant effect on production of the return, as well as integrated document management to archive the return and apply firm retention policies against them. Document management tools that natively integrate with portals, allow firms to deliver tax returns to clients with a few keystrokes, which eliminates much of the time and cost of manual printing and delivery. An increasing number of firms are also using their portals to deliver client tax organizers and invoices electronically.

Within the audit practice, portals are streamlining the accumulation of client source documents in a format that firms can use natively in their workpapers, as well as the delivery of final statements to clients. The entire production process can be tracked with the same workflow tools that the tax personnel are using, but it is customized to the requirements of each audit engagement. Intelligent audit work programs (i.e., Knowledge Coach) are now natively integrated with the audit workpaper tool (i.e., ProFx Engagement), such that updates are automatic and obvious to the audit staff, which in turn streamlines the planning on jobs. Performing all audit work on the firm’s servers through remote access technology (i.e., WTS/Citrix) virtually eliminates the impact of a lost or stolen laptop and ensures the data is synchronized, backed up, and available to any authorized firm member, whether he or she is in the office or in the field. Integrated links between both the tax and audit tools with online research and forms will further facilitate efficiency in the firm’s digital workflow.

It is apparent that the economy is showing signs of turning around and that the eventual upswing will bring more work and opportunities to accounting firms in the next few years. The difference between those firms that just survive and those that thrive will be how effectively they process their client’s data and service them, which they will do by taking advantage of today’s accounting technology game changers.

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