CPA firms are no different and by knowing where the "Accounting IT Puck" could be going in the future...

Roman Kepczyk • Nov. 26, 2012

Rhonda- for print- let's show only the 2013 predictions, and then have a link that says: To see how Roman's 2012 predictions fared, go to www.CPAPracticeAdvisor.com/10822946.

1. **2012 PREDICTION: Majority of Audit Engagements will be performed from remote sites on firm servers rather than on local workstation drives:** We have seen significant utilization of WTS/Citrix for remote access and a major increase in the percentage of audits where usable Internet is available to connect from client sites. While this has lead to the majority of OUR clients doing all work remotely, we are hearing that half the firms are still doing work on local C:Drives. Without conclusive survey results, we will have to continue promoting firms expand their remote access, but for honest predictions sake, we'll have to take a (DRAW) on this one.

2. **2012 PREDICTION: Cloud Adoption Leaps:** Easy (WIN) as more firms transition to hosted or private clouds for their infrastructure or just for individual applications such as Microsoft Exchange, TR GoFile Room, CCH Saas Document/Portal, and XpiTax CM. This prediction will expand this year as Hybrid clouds become commonplace.

3. **2012 PREDICTION: Patent Wars Heat Up in 2012:** Another easy (WIN) as the lawsuits and appeals continue to play between Apple and Samsung. Some are waiting for Apple to sue HP on their SpectreONE, but Apple may be skittish as HP has all the original Palm patents in their portfolio which could haunt Apple down the road.

4. **2012 PREDICTION: Slow to No Windows 8 Adoption for workstations:** Another easy (WIN) as Windows 8 did not even get out until November.

5. **2012 PREDICTION: Stabilization on Office 2010/2007:** Same easy (WIN) as Office 2012, uh...2013, was not rolled out in time for the major accounting vendors to experience how their products would work. Firm's need to focus on effectively doing audits and tax work and the Microsoft Office products should always be secondary to that.

6. **2012 PREDICTION: Android Leads Smart Phone Platform:** While the Apple iPhone5 had an awesome rollout, it was not enough to outdo Android which lead

the other quarter's sales, sometimes by four to one over Apple, so this was another

9. **2012 PREDICTION: Video Calling Becomes Commonplace:** Commonplace is a big word and through the year we saw less than half of the people in our firms using Skype, FaceTime, or other video calling so we are taking a hit (LOSE) on this.

0. **2012 PREDICTION: Nationwide Cyber Security Laws:** Ouch!, Another (LOSE) prediction as Alabama, Kentucky, New Mexico and South Dakota still have no legislation specifically pertaining to breach notification.

2012 Results: With 7 (WIN), 2 (LOSE), and a (DRAW) prediction, it's obvious that either our Savant capabilities increased over last year or we did not stretch our predictions enough, so for 2013 we will challenge either hypothesis by predicting it is going to be a great year and that the following ten predictions will lead the best firms that take time to notice and integrate them unparalleled success in 2013!

2013 InFirm IT Trends Impacting Accounting Firms:

1. **Hybrid Cloud Becomes Commonplace:** A hybrid cloud is where firms use the optimal combination of external cloud resources (such as those listed in our 2012 #2 Prediction above) and private/hosted cloud applications that they manage themselves, meaning that the majority of firm employees will be working via Cloud applications or Private Cloud Access in 2013.

2. **"Actionable Analytics" is New Buzzword:** We will see firms adopt dashboard tools that provide real-time, *predictive* information instead of traditional backward looking financial results and they will begin to apply these tools to clients, in addition to helping their own firms. Within five years, these analytics will be streamed in real time to the accountant's smartphone or tablet so they can take proactive action; and interactive devices like the Pebble Watch will be everywhere.

3. **Unified Communications Expands:** While all firms utilize email/phone for core client communications, the number of firms that integrate voicemail, digital faxes, instant messaging and even video calling into a single unified communications conduit such as Microsoft Lync, will increase significantly to make

communication and collaboration easier than ever regardless of what method of

5. **Digital Delivery Outpaces Manual Delivery:** Medium and Large firms that deal with more sophisticated clients will see the scales tip this year to where the majority of client tax returns and client financial reports are delivered electronically via portals and encrypted email, rather than traditional manual means as well as the number for firms sending digital tax organizers increasing.

6. **Security Emphasis on Privacy not Passwords:** With passwords becoming increasingly easier to crack and IT counter measures to change them more frequently with more complex passwords meeting increased resistance, the emphasis of security access will transition to other secure connectivity options and partners will have IT focus on limiting access to files to protect client privacy to only those personnel that are authorized and have a need to access the data.

7. **BIG DATA for Accountants hits Radar:** The concept of Big Data is that as firms shove more digital files into their network directories or document management application, there comes a point when these current tools are no longer powerful enough to continue to access and utilize the files effectively and solutions for searching and accessing files will change significantly, forcing firms to look at alternate and workflow tools to manage files.

8. **Fourth SaaS Player Gets Notice:** The gap between the Big Three (CCH, Thomson Reuters, Intuit) and a distant fourth vendor will narrow noticeably as a Cloud-based SaaS Accounting provider swells up from the bottom providing smaller firms with a cost-effective option.

9. **Internal IT Staff Disintermediation:** High level network personnel within firms will have to transition to a more strategic IT management and adoption role or see their positions increasingly under fire and outsourced to external providers with depth of specialized IT personnel. This will be a major discussion within firms in 2013 as partners evaluate IT Staffing costs and see the Cloud writing in the sky.

10. **Partners Recognize IT Risk:** IT Governance will jump way up the list of things keeping partners awake at night as security and client privacy breaches in the news point to firm owners being the ones ultimately responsible. This will lead

firms to formally discuss IT risk and actually designate a non-IT person to evaluate

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