

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

firms that want to grow and continue to be successful have embraced the need for technology. In doing so, they are turning over many of the mundane footing and ticking and balancing and reconciling and data entry activities to the software that runs on their various mechanical devices.

Gail Perry • Sep. 12, 2014

We seem to have reached a point in the accounting profession where accounting firms that want to grow and continue to be successful have embraced the need for technology. In doing so, they are turning over many of the mundane footing and ticking and balancing and reconciling and data entry activities to the software that runs on their various mechanical devices.

While some might say this fantastic array of technology is making life easier for accountants, giving them time to focus on analysis and forecasting and allowing them to take the occasional day off, others might argue that technology opens the door to a more esoteric practice of accounting, one not so easy to perform and a challenge to sell to clients.

Where does the 21st Century accountant begin when it comes to recreating the accounting practice to embrace what technology has given? *CPA Practice Advisor* pursued this topic with Rod Drury, New Zealand-based CEO of small business software provider [Xero](#), to learn if accountants “down under” know something that U.S. accountants have yet to grasp.

CPAPA: In what ways do technology-savvy accountants work with their clients that they couldn't do before?

Rod Drury: Accountants are moving away from just compliance and can now keep a real eye on the business. Under the old model, the accountant would just do the books when the file arrived. With cloud technology, the accountant can see exactly

what's going on at any time. Having a single copy of the data is the key to unlocking

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

coming down – there are lots of cases where people in slow moving practices who can see the industry in transition are peeling out and starting their own practices in the cloud.

CPAPA: How do you see the accounting model changing?

RD: We're seeing accountants going to a monthly billing relationship. What normally happens is the accountant comes up with three pricing tiers, offering different services with each level. For example, one level might include end-of-year financials, monthly reports and a tax review, keeping an eye on the client. It's important to lay out the expectations on both sides. Perhaps you expect the client to take care of the bank reconciliation and other daily tasks. If the client doesn't do their homework, then offer to move them up to the next level – generally the clients are likely to say that's all right.

CPAPA: What are the advantages to moving to this type of monthly billing model?

RD: First, there's much better cash flow associated with getting paid each month. The accountants have a goal of getting all of their costs covered by monthly contracts. Rather than working for an hour, this model captures the value of the service. The accountant has more time to either provide more value or look for upsell opportunities. You now have a direct relationship with all customers, talking with them every month, and the opportunity to do more exciting work. The accountants really get to use their brain to help the small business owners.

CPAPA: What are the first steps toward moving to a 21st Century accounting practice?

RD: Lack of technology has been what's holding everybody back. The online accounting products are all pretty good now – it's time to get in and get some experience, and then be on a platform where you can log in directly from anywhere.

Move to bundled services for compliance work and set up a monthly billing

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

(NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved