CPA
Practice Advisor

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

Roman Kepczyk • May. 25, 2016

The CPA Firm Management Association (CPAFMA.com), completed their 2016 Information Technology survey which identified the latest IT infrastructure and workstation trends within medium and larger accounting firms. Formerly the Association for Accounting Administration, the CPAFMA has more than 1,000 members, of which 140 firms participated in the 2016 IT Survey which was completed in the first quarter of this year. CPAFMA consists primarily of medium and larger firms with 90% of the respondents being in firms between 10 to 149 personnel and 49% being multi-office.

These firms often have greater resources to evaluate peer solutions and do more in

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

"colocation" facility to minimize the environmental risks as well as bolster security, Internet access, and power quality, with vendors such as ViaWest, IO, and Barracuda.
A surprising 18% had opted to outsource their network infrastructure and management to a third party which would utilize a colocation facility to manage the network and outsource all network maintenance and application updates to the cloud hosting company. The most listed hosted cloud providers were Xcentric and IV Desk. The remaining 5% of respondents were able to use the accounting application provider (Thomson Reuters Virtual Office/WoltersKluwer CCH Axcess) to host the majority of their applications.

TREND: With 3 out of 10 firms already moving their IT Infrastructure to third parties, we see the number of firms hosting their own networks in their offices to continuing to decline as they transition more to the cloud.

2. **Streaming Backup:** The survey found that 12% of firms still utilize tape backups which we have found to be time consuming and expensive compared to today's digital processes. 48% of respondents backed up to another onsite hard disk, which we recommend for more frequent backups and for easier restoration of lost or corrupted files. The survey found that 40% of firms that maintained their own networks were utilizing an Internet-based offsite backup and that another 10% utilized cloud providers that also provided offsite Internet-based backup.
TREND: The advantage of offsite Internet-based backup solutions is that they can be automated to work every day and do not require the purchase and offsite transportation of physical media so we see "disk to disk to Internet" becoming the accounting firm data backup standard.

3. **Workstation Dominance:** Similar to the Big Three automotive manufacturers, CPA firms consistently selected three brands for the majority of desktop (62%-Dell,

23%-HP, 9%-Lenovo) and laptop (58%-Dell, 20%-HP, 17%-Lenovo) purchases.

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

has firms choosing laptops with larger screens that are thinner and lighter in weight than legacy laptops.

4. **OS Configurations:** Studies done in the past pointed to improved firm productivity when all personnel utilized the same operating system applications. The 2016 CPAFMA survey found that 75% of respondents were currently standardized on Windows 7, but roughly 35% said they planned on transitioning to Windows 10 by the end of 2016 (or had already done so for the majority of their computers before tax season started). 23% stated they would wait until 2017 or 2018, and 41% were waiting to confirm compatibility or had no plans to do so. For browser selection the majority (68%) utilized Internet Explorer, followed by 26% on Google Chrome and 3% on Mozilla Firefox.
TREND: Microsoft Windows 7 will continue to be the dominant desktop operating system for this year, but we anticipate firms will adopt Windows 10 on new workstations after confirmation of compatibility with all our accounting applications which we expect this summer.

5. **Firmwide Application Selection:** The 2016 IT survey found that Microsoft Office 2010 was the dominant groupware version within responding firms (51%) followed by Office 2013 (39%). While Office 2016 had been released at the end of last year, only 3% had already adopted it. The traditional accounting firm licensing structure has been to purchase an Office version for all personnel and then skip the next one or two releases to optimize the purchase price and internal training. This has been an effective strategy as the major accounting vendors often take an additional year to work through the compatibility issues with their own applications. With minimal "got to have" features in the latest Office versions, we anticipate firms on Office 2013 and older upgrading only when they have to. Similar version skipping logic has been applied to PDF applications (which are required for firms to work in a digital environment) with Adobe Acrobat

continuing to be the preferred choice of the accounting application vendors. The

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

pricing models expected with Office 2016, Adobe 12/DC (and even Windows 10) in the future will end the generation skipping bonus most firms have taken advantage over the years.

Summertime is often the period when firms evaluate their workstations and network infrastructure for upgrades. While hardware vendors and workstation configurations continue to transition conservatively, the movement towards cloud hosting and backups is accelerating within firms and should be considered for those that are upgrading their systems this year.

———

Roman H. Kepczyk, CPA.CITP and Lean Six Sigma Black Belt is Director of Consulting for Xcentric, LLC and works exclusively with accounting firms to optimize their internal production workflows within their tax, audit, client services and administrative areas. His Quantum of Paperless Guide (Amazon.com) outlines 32 digital best practices all accounting firm partners need to understand today and incorporates the latest findings of the CPAFMA technology survey.

Firm Management • Technology

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved