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Roman Kepczyk • May. 29, 2018



The CPA Firm Management Association (CPAFMA.org) conducted its 2018 IT Survey to identify information technology trends in the medium and larger firms representative of their membership. Many technology trends begin in medium and larger firms where their worth is proven and eventually flow through to smaller firms after adoption and best practices have been standardized.

The survey was completed by 174 firms, 88% of which were 10 members or more and

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email/groupware solution, this is a trend that every firm should be evaluating before buying new or updating their existing Exchange servers.

2. **Cloud Adoption:** Another significant finding amongst CPFMA firms was that more than half of responding firms (51%) had outsourced their entire IT infrastructure to the cloud. This was a noticeable increase from 2016 where only 23% had made the jump. While the percentage of firms utilizing a colocation facility or hosting with an accounting application vendor (Thomson Reuters Virtual Office/WoltersKluwer CCH Axcess) remained fairly constant, the majority of the growth came from firms transitioning to “private” cloud hosting vendors that managed all firm applications regardless of vendor.
3. **Cloud Future:** The 2018 survey asked participants how long they felt it would be before the majority of today's accounting firms would be operating entirely in the cloud (no local file servers). The vast majority (94%) felt it would occur within a decade with 40% believing it would occur between three and five years and another 40% predicting it would take five to ten years. Surprisingly, 14% predicted it would happen within three years, which points to the major vendors having their products entirely in the cloud by that time or firms switching to other solutions providing cloud hosting.
4. **Cloud Impact on Internal IT:** Another surprising finding of the survey was the impact on IT staffing for firms moving all their applications to the cloud. While established industry statistics point to firms that manage their own networks requiring approximately one IT-dedicated FTE (full-time equivalent) for every 25-32 staff, this ratio became more favorable to cloud firms the larger the number of personnel. Firms with more than 100 members averaged 1 IT person for each 80 staff in cloud hosted firms versus 1 IT person for every 39 members in a traditional networked environment. The advantage lessened in firms between 50-100 members, with cloud based firms requiring 1 IT person for each 53 staff compared to traditionally networked firms having 1 IT person for each 40 staff. Traditionally

networked firms between 20 and 50 members had a slight advantage over cloud

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automatic failover capabilities.

6. **Internet Backup:** While 50% of firms utilized Internet-based backups in 2016, this number jumped to 64% in the 2018 survey pointing towards a more automated and less manually intensive process for protecting firm data. Alternately highlighted was the reduction in firms utilizing hard drive/SSD backup systems which was 48% of respondents in 2016 and dropped to 29% this year, which we believe alludes to the increased confidence and cost-effectiveness of cloud-based backup.
7. **Workstation Preference:** The top three brands for desktops (Dell-68%, HP-20%, Lenovo-12%) and laptops (Dell-60%, HP-17%, Lenovo-17%) changed minimally from the 2016 findings, but Microsoft's Surface Computers popped up in 3% of firms, possibly signaling a new trend. While 58% of firms purchased the 15.6" laptop models with the full 101-key keyboard, a surprising 23% bought the larger 17" models, challenging the "too big, too heavy" stigma of the past. Our discussions with firms that were buying more laptops than desktops centered around the desire for better staff mobility and as a disaster recovery option in the event the firm was impacted.
8. **Windows 10 Adoption:** While Windows 7 continued to be the primary operating system utilized by a slight majority of the number of firms in this year's survey, the total number of workstations running Windows 10 was higher overall, pointing to faster adoption of Windows 10 in the larger firms. Our consulting within firms has found that larger firms often replace workstations on a shorter cycle than smaller firms and they often have more technical resources dedicated to rolling out updates, which would support this finding.
9. **Tablet Reduction:** Tablets were once touted as the mobility solution for desktop users and as a necessary companion for the management team to "consume" data, but interest seems to be waning. The 2018 survey found that only 24% of firms provided the management team with a tablet which dropped 10% from the 2016

survey findings (34% provided tablets). Our belief is that with laptops becoming

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The upcoming conference season and lull before the extension season provides a great opportunity for firms to evaluate the current status of their production processes and target areas for improvement. The above highlighted findings of the 2018 CPAFMA IT survey point to a number of trending opportunities that firms should evaluate. These items should be evaluated along with the other findings of the survey which can be downloaded at CPAFMA.org.

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