

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

normalcy in our day to day lives. The good news is that throughout the ongoing ...

**Roman Kepczyk** • Dec. 04, 2020



Predictions? Not one of us could have predicted the year 2020 would turn out to be, but almost everyone would agree that we are hoping 2021 will bring a return to some degree of normalcy in our day to day lives. The good news is that throughout the ongoing disruption caused by the pandemic, accountants adapted their practices to continue to service their clients.

The underlying reason for this success in many cases was the adoption and utilization of information technology that made virtual work and communication possible (and will continue to be utilized through the upcoming filing season). With accounting information technology being our primary focus, we present our IT predictions for the year ahead (followed by the results of our 2020 predictions).

## 1. Security Continues as Top Threat: With cyber hacking being increasingly

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

- technology, allowing accounting firms to focus on serving clients.
3. **Digital Adoption Peaks, Sticks:** COVID forced many firms to adopt digital processes for client data collection, delivery, and signature, which were initially viewed as temporary accommodations. With another busy season forced digitally, it will become apparent that going back to the old ways of doing things creates a competitive disadvantage.
  4. **Microsoft Teams Dominates Firm Collaboration:** While Zoom (and previously Slack) are the most publicly touted collaboration tools, accountants will hone in on Microsoft Teams for both internal and client collaboration simply because it is included in their Microsoft 365 subscription and integrated with their other productivity applications.
  5. **VOIP Adoption Surges:** With accounting firms accepting remote workers as part of the “next” normal, there will be an increase in virtual phone and collaboration systems replacing traditional physical hardware as the cost continues to drop, including non-traditional solutions.
  6. **5G Offers Bandwidth Alternative:** 5G Internet bandwidth will begin being utilized by firms as an effective alternative to the backup “wired” Internet connection.
  7. **CAAS Renaissance:** On the heels of this year’s PPP and CARES advisory, 2021 will be the year that Client Accounting and Advisory Services (CAAS) formally takes off as a dedicated service line within the majority of firms as they realize traditional compliance services are being disintermediated by technology.
  8. **Microsoft Power BI Takes Priority:** With firms expanding their client accounting and advisory services to incorporate real-time reporting and analytics, there will be a surge in firms adopting data visualization (dashboard) tools with Microsoft Power Business Intelligence taking the lead in our profession.
  9. **Virtual Practice Metrics:** With an increased percentage of firm work being done remotely, traditional practice metrics of utilization and realization will give way

to new practice metrics that identify timeliness, successful initial completion of

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

lunch!).

We hope the above predictions will give you some pause for thought and pique your interest in new technology considerations in the year ahead. However, before we shut down our crystal ball, we share with you our 2020 predictions where we (self-scored) seven WINS, two LOSSES, and one DRAW. Read on to see if you agree:

- 1. Outsourced Security Standard:** With ransomware on the rise and phishing emails abounding, firms will take security more seriously than ever and outsource their cybersecurity responsibilities. This leads to our first 2020 prediction that the majority of firms will work with a third party to manage their security rather than relying on their own internal personnel. *(WIN: With the CPAFMA survey finding the majority of applications utilized by firm being in the cloud, we believe firms “outsourced” security to those providers).*
- 2. Rebuilding the firm “Tech Stack:”** This will be one of the hottest “tech” terms of the year as firm’s focus on re-evaluating the tools and applications they utilize to service clients and put the majority of them in their “tech stack.” This is all happening in the cloud where both native SaaS and hosted versions of on-premise application can be seamlessly integrated and accessed remotely on a single platform customized to each firm’s unique needs. *(WIN: CAAS was hottest topic of year which included the applications supporting advisory services).*
- 3. Stalled Privacy Regulations (Again):** While the California CCPA law goes into effect in January 2020, there will be a long pause in adoption across the country as everyone takes a “wait and see” approach to see how it is applied. Political turmoil and elections will take precedence, so we are predicting no significant adoption of Federal Privacy Legislation by the Fall of 2020. *(WIN: COVID put most of these discussions on hold, probably until 2022).*
- 4. Data Visualization Democratized:** While we scored a DRAW on this in 2019, we predict that there will be a significant push towards Microsoft Power Query and

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

applications and processes. We expect to see an increase in firms designating “Learning Officers,” updating learning curriculums, and expanding firm learning well beyond required tax and assurance CPE. (*LOSS: With COVID, focus was on remote work and learning concepts were mostly put on the back burner*).

6. **App(lication) Expansion:** The age of applications replacing human toiling will become obvious this year as firms question the value and functionality of their “old school” application vendors and add two or more completely new apps to their burgeoning tech stack that minimizes manual production processes. Integration of applications utilizing Machine Learning, Natural Language Processing, and Augmented Intelligence will be adopted within leading firms, heralding in the age of application expansion in the accounting profession. (*DRAW: While application program interfaces and some machine learning apps were adopted, we did not experience any real use of NLP or AI in the firms we consulted with*).
7. **Portal Evolution:** With many firms utilizing two, three, or even more methods of file transfer and interactions with clients, we predict that at least one of the major software vendors will roll out a portal solution that combines the ease of two way transfers, customization of PBC lists, and integration with the firms other applications so a firm can pick a single solution that is easy for both clients and firm personnel. (*WIN: There was significant enough improvement from the major vendors towards “modern” portal capabilities that we will give ourselves a win on this one*).
8. **Data Trust Introduced:** There will be a significant environmental push towards identifying ways to “trust” the information and data we are provided by clients both live and after the fact. Accountants will be uniquely situated to own the space because of existing “trust” and “ethics” pillars that are owned by our profession, so we are predicting the push for “Data Trust” services in the year ahead. (*LOSS: Crickets*).
9. **AI Delivered as a Service:** To be successful in the accounting profession, we believe that artificial intelligence tools need to be seamless and intuitive which means

they need to evolve from stand-alone applications to those integrated with

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

driven by technology (with COVID-19 just accelerating and transforming our profession with many pundits saying between 5-10 years of advancement).

Yes, as we wrap up 2020 it is easy for each of us to say it was an unprecedented year. As we look to 2021, we hope to say it is also unprecedented but in a positive way where we drove the decisions and where our predictions helped provide additional insights and direction.

=====

*Roman H. Kepczyk, CPA.CITP and Lean Six Sigma Black Belt is Director of Firm Technology Strategy for [Right Networks](#) and works exclusively with accounting firms to optimize the internal production workflows within their tax, audit, administrative, and client accounting and advisory services areas.*

Advisory • Artificial Intelligence • Firm Management • Hardware • 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