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TECHNOLOGY

2010 Executive Predictions & Year in Review

Forward Thinkers Also Look to the Past

Dec. 01, 2009

From the Dec. 2009 Issue

What We Learned in 2009 and What's in Store for the Future

In every profession and walk of life, there are those who identify trends and prepare for coming changes ahead of the masses. As a result, these forward thinkers enjoy the competitive advantages that come with recognizing future trends and the potential effects on their businesses. When it comes to technology implementation, early adopters are also quicker to realize the benefits delivered by those new technologies.

Determining which trends are simply fads and which offer true benefits to your firm is a major challenge faced by tax and accounting professionals. Over the past few years, major innovations have been presented to these professionals, and while some have approached these new options with skepticism, others have embraced the technologies.

WHAT WE SAW IN 2009, AND WHAT TO EXPECT FOR 2010

- Many new changes to tax law as a part of the February stimulus act, including enhanced first-time home buyer credits, changes to Sec. 179 expense provisions,

and expanded bonus depreciation.

- Major new updates to tax and accounting programs, including redesigned components of the Thomson Reuters CS Suite, the introduction of Intuit's new ProLine web-based professional tax compliance system, and the unveiling of CCH's Next Generation ProSystem *fx* Suite.
- Growth for some vendors, including BQE, which made acquisitions and expanded its offices in the U.S., Australia and the U.K. And the demise of the Microsoft Office Accounting system.
- Enactment of a bill that, starting in January 2011 (for TY 2010), will require e-filing for any preparer who "expects" to file 10 or more individual, estate and trust returns.

In addition to these specific tax law changes and the new and enhanced professional products, many more trends continued their course, including the movement toward web-based/SaaS professional applications, the popularity of client portals for collaboration and file transfer, the promise of cloud computing, and the increased adoption of technologies that optimize workflow in professional practices through streamlined management capabilities and OCR-empowered scanning utilities for organizing tax engagement documents and automated data entry into compliance systems.

Workflow optimization will continue to be the driving force in new technology development for many years to come because the concept involves virtually every aspect of professional client service and practice management. Simply put, workflow optimization is about working smarter, not harder, by implementing technologies that help users adapt to changing environments. The paperless movement was more than a precursor to the need for optimization; it was, at least in part, a cause for this need. As firms dramatically changed how they dealt with client information, it became necessary to find better methods of utilization and internal control.

Professional practices will also continue to move closer to a cloud computing reality. With increasing adoption of web-based services and programs, **you are already doing so**, even if you don't recognize it as a progression toward the "cloud." As an example, over the past 15 years, we've seen the transition of tax research move from book-based libraries, to CD libraries, to installed programs, to totally web-based. Most accountants are comfortable with that information not being "stored" in their office. Similarly, the past few years has seen increasing adoption of online data backup systems,

with professionals trusting well-known vendors to securely store their sensitive client information.

With the corresponding adoption of web-based professional programs for accounting, tax preparation, payroll and other key practice services, professionals are also showing a willingness to trust their client data to these trusted technology vendors. The benefits of using hosted applications have been made clear: Decreased IT costs and management of the technologies and anytime/anywhere access to the data, allowing professionals to work from anywhere and be more responsive even in an increasingly mobile world. Technology experts also agree that even sensitive client data is safer when hosted by a secure data facility run by a trusted vendor. Likewise, the use of client portals for collaboration and file sharing is a sign of an increasing demand for secure modes of data transfer.

The result, eventually, will be that nearly every program run by an accounting practice will be a hosted application, and the data they use will also be securely hosted. That is, essentially, the definition of a cloud-based computing environment. We won't get there next year, but the transition is underway.

WHAT ELSE CAN WE EXPECT?

Becoming a technology visionary isn't a matter of simply deciding to be one, but rather the product of years, even decades, of good, bad and indifferent experiences. Just as wisdom acknowledges the value of incorrect decisions in the overall learning process, failures can also be valuable to better understanding a challenge and realizing success in the future.

The real visionaries and forward thinkers are professionals who've successfully adapted new technologies in their practices and the technology experts who develop those innovative technologies, putting their own time, effort, money and names on the line to help tax and accounting professionals be more productive and profitable in their practices. In the following pages, several of these technology leaders offer their views on what the current year has taught us and what we can expect in the near future.

Click on one of these accounting technology leaders to see their assessment of the past year, and also what they see for the future.

Shafat

Qazi

CEO and Founder

BQE Software Inc.

As

the CEO and Founder of BQE Software Inc., Shafat Qazi possesses in-depth knowledge of business management and accounting practices for small and medium size professional service businesses such as accounting professionals, attorneys, architects and engineers. With over a decade of annual face-to-face customer visits, time set aside daily for customer and prospect conversations, and regular participation in conferences, Shafat gains insights and monitors trends in technology usage and management styles and capabilities. BQE

Software

also proactively reaches out to its customers to get their ‘Wish Lists’ of additional tools and capabilities they’d like the program to offer.

This helps Shafat and BQE continue to develop new and innovative features, products and services.

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Mike

Sabbatis

President

CCH, a Wolters Kluwer business

During

his 28 years in the software, technology and information industries, Sabbatis has successfully led businesses domestically and globally including activities in strategic planning, sales, marketing, business development and consulting.

Sabbatis is a featured speaker with a focus on technology, industry trends, leadership and business effectiveness. He’s presented at industry

conferences as a keynote speaker at the CCH User Conference and at the Wolters Kluwer Global Leadership Forums. Previously, Sabbatis was the executive vice president of global sales and marketing for Wolters Kluwer Tax and Accounting focusing on the US, Canada and Asia Pacific businesses.

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Jon

Baron

President, Professional Software & Services

Tax & Accounting, Thomson Reuters

Jon

Baron joined Thomson Reuters in 1992. Prior to his promotion to president in July of 1998, Baron held the position of vice president of Development and was responsible for the design and development of all Tax & Accounting products for Professional Software & Services. Baron has almost 35 years of technology development and management experience, all of it serving the accounting profession. He holds a Bachelor of Business Administration in Accounting from Siena College and a Master's of Business Administration from Boston University.

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