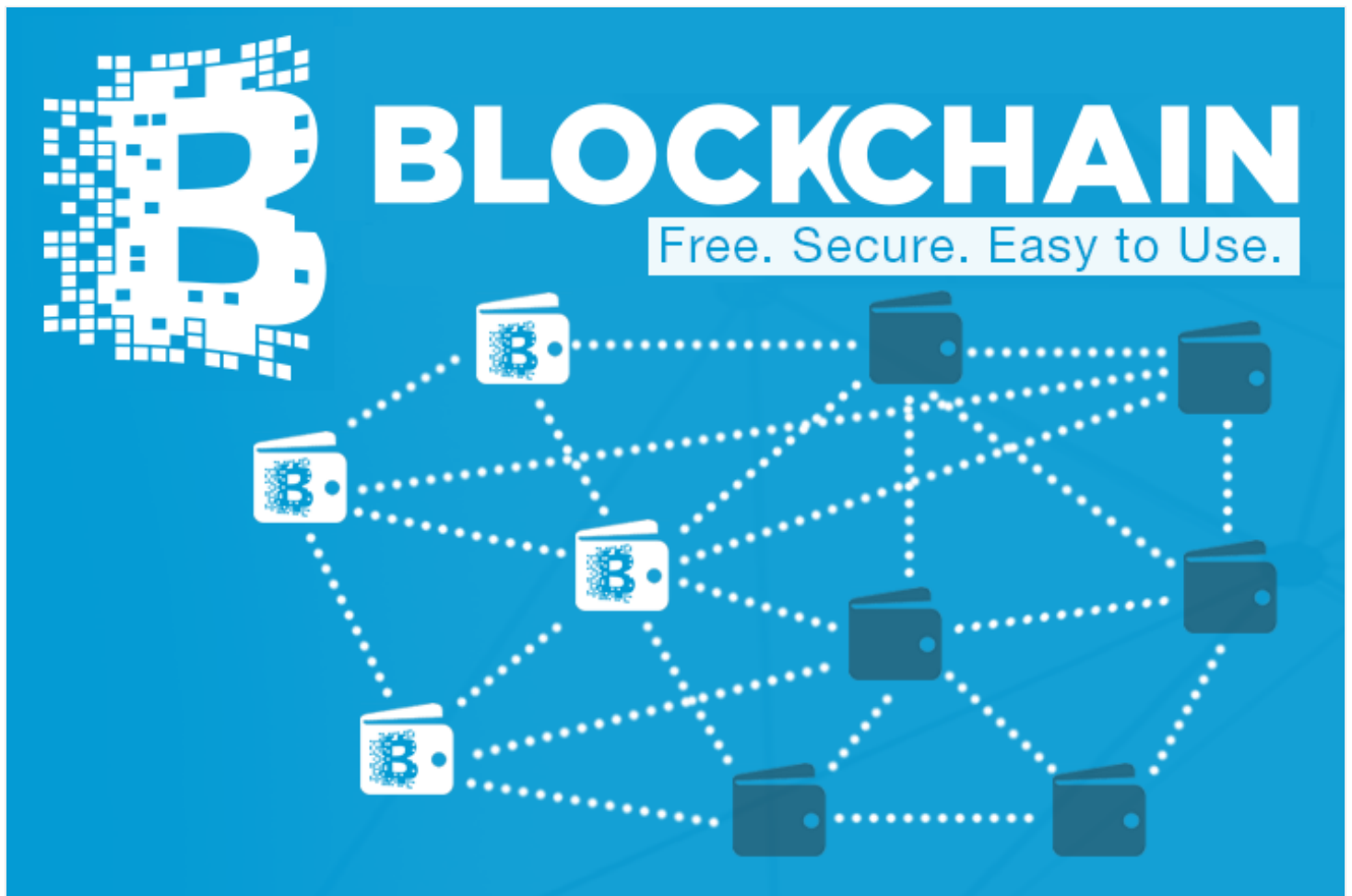


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is starting to take shape. Accountant's role is starting to shift from bookkeeper to business consultant. People skills have become just as important as keeping the ...

Jul. 04, 2016



While doing some research on Blockchain technology and its applications in the accounting field, I came to a blog/webpage by Chris DeRose. Chris had commented on the question, “Will Blockchain replace Accountants?” While I agree with his assessment on the role of the technology as a ‘tool’, I think that Blockchain technology is more than just a tool.

Chris indicates that Blockchain technology will make accountants job easier but we

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many principles, he described the double entry accounting system, the concept of debits and credits and the trial balance. All are important aspects of accounting that we are still using today. From 1494 until the IBM PC ('8088') in 1981, all entries were done manually, with a writing instruments/pencil on a paper ledgers and mistakes meant hours of recalculation and in all very tedious work. Then came the IBM PC 8088, overall calculators, paper ledgers, and pencils were eliminated, margin of error were lowered and mistakes were easier to find and correct. Accountants were able to get the job done faster and we saw a steady rise in the profession.

The first shift in accounting technology came in the form of simple spreadsheet programs. VisiCalc (1978) introduced everyone to the first spreadsheet for the general public and it allowed people to go from manually entering data into a physical paper to entering data on a digital spreadsheet. It also introduced the concept of updating 'cell' in the spreadsheet. Next came QuickBooks in 1998, which now dominated the market for day-to-day bookkeeping. QuickBooks was very good at marketing the simplicity of bookkeeping to the general public.

There are those pundits, that believe that SaaS (software as a service) is the second paradigm shift for accountant. I feel that SaaS is not a paradigm shift, SaaS is the natural evolution of accounting software with several added benefits. Being web-based and secure hosting allow accountants and clients to collaborate on the same information. For most companies moving to the Cloud reduces IT expenses.

The real second shift in accounting technology will come by way of Blockchain and it is starting to take shape. Accountant's role is starting to shift from bookkeeper to business consultant. People skills have become just as important as keeping the numbers in check. Accountants are expected to recommend best-practices to management and suggest ways to reduce costs while improving profit. Accountant has become a business consultant rather than a mathematical tool.

The cloud, globalization, social media and data management have altered what is

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Please tune in for Part 2 on how I have started to transition my accounting firm. My staff of 10 people, 700 small businesses and 10,000 individual clients do not notice – they pay for price increase and everything to them are all seamless.

Video: <https://www.chrisderose.com/video/willtheblockchainreplaceaccountants>

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