

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

dust off the magic crystal ball and cobble together our 2017 CPA Firm Technology and Production predictions. This listing will hopefully provide you with fresh insight ...

**Roman Kepczyk** • Dec. 29, 2016

With another year end (and tax season) rapidly approaching, it's time to once again dust off the magic crystal ball and cobble together our 2017 CPA Firm Technology and Production predictions. This listing will hopefully provide you with fresh insight into trends that we anticipate having a noticeable impact on our accounting world in the year ahead.

While some of these predictions may seem out there, the reality is that accounting technology is evolving at a faster pace than at any point in our professional career, so having awareness puts you ahead of your competition. However, before we get into those predictions it is only fair to recap the results of our 2016 guesses which were scored by a completely biased/partisan panel (ourselves) and which we awarded ourselves six WINS, two LOSSES, and two DRAWS, making for an "average" outcome to our predictive intuition...kind of like national polling.

- 1. Windows 10 Primary Adoption (LOSE):** Last year we predicted that "there would be an overwhelming" recommendation for firms to move to Windows 10, including updating all existing Windows 8.x versions. While the recommendations were there, the actuality is that it was fairly split between firms adopting Windows 7 and 10, so the word "overwhelming" pushed this one into the LOSE category (which we believe we will see happen in 2017).
- 2. Ergonomics Get Noticed (WIN):** Our prediction was that the majority of firms will have at least one person adopting standing desks in their office, which we experienced within the many firms we worked with throughout the year.
- 3. Oversize Screen is New Standard (WIN):** With Windows 10 having better screen real estate management with snapping and task views, we expected to see 25" or

larger screens taking the place of two previous displays and being the majority 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

indifference, saying you simply don't care, which is what we predicted to hear CPAs and IT people say about Microsoft Office 2016. This was also backed by the 2016 CPAFMA Survey pointing to only 4% adopting Office 2016 prior to busy season and no substantial adoption amongst our consulting clients to warrant a trend.

6. **Audit Binder Replacement (LOSE):** Our audit prediction was that Wolters Kluwer would announce a web-based, replacement solution for their beloved, but aging CCH Engagement application that will integrate with their Axxess suite, which did not happen.
7. **Outsourced CPA Security Established (DRAW):** We predicted that we would hear about a couple of firm's network security being breached, which would drive firms to increasingly outsource their network security monitoring and moving to cloud applications. According to the Identity Theft Resource Center (IDTheftCenter.org) there have been more than 20 accounting entities breached this year, so there is more awareness than in the past and we did see firms outsource more applications to the cloud. However, while we saw a significant increase in firms asking us for security recommendations and having security audits and awareness training presented in the firms, we don't have any indicators that they outsourced their security, so due to us making our prediction too broad, we will take this as a DRAW.
8. **Introduction of Turnkey DRP (WIN):** We predicted that there would be vendors providing comprehensive turnkey disaster recovery plans, which we did see firms working with Cloud vendors and dedicated disaster recovery providers such as Agility, so we will take this as WIN.
9. **Collaboration Tools Adopted (WIN):** We predicted an increase in firms adopting collaboration tools such as Skype for Business (formerly Microsoft Lync) which was supported by the findings of the CPAFMA 2016 IT Survey which showed more than a quarter of firms utilizing some type of collaboration application.

## 0. Tax Vendors Have Solid Year (DRAW): We predicted the lack of significant

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

is our 2017 Accounting technology predictions:

1. **Major Vendor Acquires Cloud Audit Provider:** While the focus of the major accounting vendors has been on tax production and workflow automation tools, we expect to see a surge in interest in cloud based audit suites this year resulting in one of the major vendors acquiring cloud applications to deliver a competitive solution.
2. **Microsoft Surface a Hit:** 2017 will mark the year when Microsoft's Surface delivers a device that can truly replace our trusty accounting laptops. Like many things Microsoft, they eventually get it right and the Kaby Lake processor and Windows 10 updates occurring after busy season will negate the nagging complaints of the early Surface 3 and 4 adopters.
3. **Block Chain Reality:** With the Big Four transitioning resources to utilizing Block Chain technology to audit financial institutions, the rest of the accounting profession will be exposed to the concept and begin scrambling for ways to take advantage of this technology.
4. **Cognitive Tax Application Tested:** IBM's Watson computer continues you acquire specialized knowledge and will make a dent in the legal market place this year that we believe will be followed by forays into tax compliance by automating multi-national tax strategies. While most of the focus will be on the higher end, complex calculations, the lower end bread and butter returns could also be impacted. Earlier this year, IBM Watson Vice President of Transformation Angela Archon joined the Board of H&R Block Board of Directors, which opens up the possibility of some interesting scenarios.
5. **Intuit ProConnect Tax Online Breaths New Life into Lacerte:** While Lacerte continues to be a consistently reliable on-premise tax product, they have not fared as well as their tax competitors in merger situations where they are being compared against Wolters Kluwer/CCH and Thomson Reuters. One of the reasons we hear is that the other major tax vendors have touted a stronger web-based

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

experts, services to be responsible for securing the firm.

7. **17" Laptops Adoption Increases:** Laptops continue to get thinner, while at the same time becoming lighter. This will lead to a resurgence of 17" laptops in firms as they have the larger screen real estate as well as the full 101 keyboard so they can work as well in the office as in a mobile situation. We expect to see an increase in the number of 17" laptop users as their "only machine" and a reduction in the "pooled laptop" concept in addition to the accountant's desktop computer.
8. **Crippling of Tax Organizers:** While we are not ready to say tax organizers are dead, they are going to take a big hit this year as the major vendors roll out solutions that make it easier for clients to submit digital data or respond to online questions instead of sending the client a complete organizer.
9. **Useful "Touch" Accounting Application Delivered:** While Microsoft Office applications work well on tablets and smartphones via touch commands, traditional accounting applications have been behind so we expect to see the vendors introduce useful touch capabilities into their applications making them more mobile friendly, so that accountants will actually use them.
10. **CPAs Accept Accounting "Gig" Workers:** Free lancers with expertise have been utilized by firms in marketing, IT, and administrative support, which are often referred to as "gig" workers because they are hired for a specific "gig" or project. This year we expect to see an increase in firms bringing onboard part-time expertise for more accounting type services such as project management, data extraction, IFRS financials, etc., (which will be distinct from the current batch of overseas tax outsourcing companies).
11. **BONUS PREDICTION: CPA Firms Adopts Drone Technology:** While I'm saving the driverless car prediction for future years, I will guess that we will see CPAs hire drone pilots and utilize drones for inventory observation and asset inspection in 2017.

By the time you read this, the most bizarre presidential election of our lifetimes will

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

*production workflows within their tax, audit, client services and administrative areas. His Quantum of Paperless Guide (Amazon.com) has been updated with the 2015 paperless benchmark statistics and outlines 32 digital best practices all accounting firm partners need to understand today.*

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