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are a few predictions for the accounting professional in 2018.

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I have the privilege of working with forward thinking controllers and CFOs every day. This provides an insider's view of the challenges facing the accounting profession and changes coming down the innovation pipeline.

Some of these changes have to do with rules and regulations, such as the new revenue recognition guidance. Others are broader, resulting from technological and social developments affecting everyone, not just accountants.

Regardless of the source, there's a lot in motion that's going to shake up the profession in the coming year. In the spirit of helping out our fellow accountants, here are a few predictions for the accounting professional in 2018.

1. Revenue recognition guidance adoption will cause implementations of SaaS billing and contract systems to take off

Unless you've been living under a rock, you've probably heard about [ASC 606](#) and the new revenue recognition rules.

Public organizations have to apply the new revenue standards to annual reporting periods beginning in 2018. For nonpublic orgs, the deadline is 2019. No doubt there will be a scramble in 2018 to get ready for these changes, particularly among privately held companies.

The new rules are challenging to implement. Revenue is now tied to the satisfaction of performance obligations under each contract. In other words, you can't recognize revenue until you've done the work.

And to make things even more fun, impacted companies have to report results

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or us here.

The good news is that modern cloud ERPs, such as [Intacct](#), have powerful contract revenue management modules that dramatically simplify reconciliations.

Look for the pressure of the new standards to drive more and more businesses to SaaS billing and contract systems in 2018.

2. Blockchain will create headaches (and a few opportunities) for accountants across the profession

Much has been written about how blockchain will automate accounting. Perhaps it will in the long run, but in the short term, expect a lot of headaches.

That's because the primary application of blockchain right now is Bitcoin and other cryptocurrencies, AKA virtual currencies. As Bitcoin has surged in value over the past year, more and more of the general public has begun to buy and sell Bitcoin and other virtual currencies.

It may be virtual, but Bitcoin is becoming a very real means of storing and exchanging value, so don't be surprised if many of your clients report material virtual currency holdings in 2018.

Accounting for Bitcoin is problematic. Most accounting software doesn't support it. Unless developers quickly add support for virtual currencies, accountants and bookkeepers will likely be doing quite a bit of export/import and massaging of data in Excel for the next year.

On the tax side, the IRS has made things complicated by determining that for federal tax purposes, [virtual currency is property](#). This means that for every transaction involving cryptocurrency, the taxpayer must compute gain or loss. And if the taxpayer has a gain, that gain is taxable.

Although the blockchain keeps track of all your client's transactions, it doesn't track

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may have been affected, including US government departments and some large multinationals.

Amazingly, the hackers were able to penetrate Deloitte's systems via an administrator account protected only with a single password. They would have been foiled had Deloitte been using a basic security measure called multi-factor authentication, which requires some other method of identification, such as code sent to a mobile phone, in addition to a traditional password.

In the wake of the Deloitte hack, expect that many IT departments will finally require multi-factor authentication by users in 2018. And since many firms will still fail to secure their information systems, expect lots more hacks as well.

4. Automation, AI, and machine learning will start replacing jobs at the staff level

There's been lots of talk about jobs being lost to automation in the accounting profession, but we haven't seen too much of it yet. In fact, there's more demand than ever for talent. That's because the vast majority of the profession still hasn't made the switch from on-premise software to the latest SaaS applications.

As companies move to automated cloud solutions in 2018, expect to see a decrease in demand for entry level accounting positions. Many basic accounting functions have already been eliminated.

One example is accounting transaction data entry.

Rather than keying in transactions, we can now download bank statements from online banking and import to the accounting system for coding and reconciliation. Or we can sync transaction data into the general ledger from other applications.

This sort of automation has largely eliminated the traditional role of the bookkeeper

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experienced CFOs. CFOs have been complaining about a talent shortage for years. As the Baby Boomers retire in greater and greater numbers, that shortage will only get worse.

Competition for talent will be intense.

So how can firms woo the best senior staff and managers? Offer them better work-life balance through flexible work arrangements, or perhaps even fully remote positions.

Thanks to collaboration tools such as [Office 365](#), [Zoom](#) and [Slack](#), it's now possible for workgroups to be productive from anywhere. All you need is a laptop, webcam, and WiFi to be connected to work.

There's also a new breed of collaboration software designed specifically for accounting teams. For example, [FloQast](#) lets controllers manage a complex monthly close without the need for lengthy in-person team meetings at the office just to stay on track. Want to learn more? Check out [FloQast in one minute](#).

Even if you don't have remote workers, using the best tools makes work faster and more accurate, which makes your employees happier. And that ultimately is what gets them to stick around.

I hope you enjoyed our accounting predictions for 2018! Do you agree? Disagree? Is it all irrelevant because the world will come to a fiery, apocalyptic end? I'd love to hear your thoughts in the comments.

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