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optimism about growth at most companies. From right before the pandemic hit to today, accountants, bookkeepers, and companies in general continue to have a positive outlook for ...

Jeannie Ruesch • Dec. 28, 2020



While the pandemic has altered many aspects of doing business and many things feel uncertain, one thing is surprisingly *unchanged*: companies across many industries remain optimistic about growth. We have all experienced a change of some kind—whether it's how we live, work, or both, we've had to adjust. Businesses are no different, but through a trio of surveys taken before and during the pandemic, we

noticed a positive trend: many are realizing that growth is still possible. Another

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like bill pay, is key.

Positive Growth Outlook

Heading into 2020, just a few short months before the pandemic hit, Bill.com, in partnership with CPA.com and Hinge Research Institute, released a report entitled “[Where Opportunity Meets Value: Business Model Trends for Accounting Advisory Services](#)” (the “accounting firm survey”), which surveyed more than 650 accountants and business professionals across the country to identify trends in accounting services and growth areas for accounting firms.

The accounting firm survey showed great potential for growth, particularly at small and mid-sized firms. By increasing service offerings to provide additional value through things like strategic advisory services and targeting specific client needs, accounting firms were poised for growth. In fact, the survey showed that firms stood to increase revenues by up to 50% by offering strategic advisory services as part of a bundled service package.

On September 28, 2020, Bill.com and CFO Research, the research arm of CFO.com, released the findings of a survey of more than 300 finance leaders regarding plans for finance automation, entitled “[CFOs' Appetite for Finance Technology Undiminished](#)” (the “business survey”). Even after weathering the pandemic for several months, the finance leaders surveyed remained optimistic about growth. One-third of respondents reported expecting their companies to grow over the next 12 months. Larger companies were the most optimistic about growth – 27% of respondents from companies with \$2 million to \$50 million in annual revenues expected to grow, while 37% of companies with revenues of \$100 million or more predicted growth in the coming year.

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So, what's driving this optimism about growth despite – or perhaps because of – the challenges and uncertainties stemming from the pandemic? The answer is automation, particularly in areas like AP and AR. Automation was driving business growth before the pandemic set in, and, as the surveys show, it has also continued to provide consistent momentum as the year progressed.

The Role of Automation in Driving Growth

As we analyzed all three surveys, we noticed a trend: optimism about growth was directly tied to how the respondents viewed automation. Companies who embrace automation are the ones who expect future growth even in the face of the pandemic, while those who forego automation aren't as optimistic.

Just prior to the pandemic, the accounting firm survey showed a direct correlation between the adoption of technology and the ability to switch to value pricing and grow firm revenues. In fact, firms were found to be three-and-a-half times more likely to be able to increase their rates if they were able to explain the benefits of automation to their clients. Moreover, nearly 40% of respondents with little automation reported internal resistance as a challenge in switching to value pricing, while only 25% of respondents who considered themselves highly automated said the same. Automation also allowed accounting firms to better provide and focus on the services their clients value most, including bill pay.

It's not a surprise that this trend toward more automation only increased as the unique demands of the pandemic set in. The business survey revealed that a large majority of senior finance executives are investing in workflow automation for accounts payable and accounts receivable, among other things, as a result of COVID-19. In fact, 75% say they're evaluating or investing in workflow automation for AP and AR, while 80% are evaluating or investing in electronic payments.

As these companies anticipate growth in the next 12 months, they're continuing to

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automating more of their bookkeeping tasks would help them grow their business.

The survey paints a picture of fast-growing firms, which includes the following shared traits: 94% believe that automation of bookkeeping tasks will help their business grow; 64% use a cloud-based bill pay solution for most or all of their clients; and 44% exclusively use cloud-based applications. In contrast, the very small percentage of respondents who strongly disagreed that their firms would grow in the next two years used few to no cloud solutions and failed to view bill pay services as a growth lever. Notably, 57% of these firms with a pessimistic growth outlook disagree that automation of their bookkeeping tasks would help grow their business.

The Takeaway

Contrary to what many might expect, the pandemic has done little to damper optimism about growth at most companies. From right before the pandemic hit to today, accountants, bookkeepers, and companies in general continue to have a positive outlook for growth for the coming year. Much of that optimism is directly tied to automation. Companies that are investing in automation, particularly in areas like AP and AR, are significantly more optimistic about growth.

Across all three surveys, the message is clear: high growth means automation. For companies looking to grow as we emerge from the pandemic, automation provides a clear path to success.

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