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inspiration for improving your technology outlook in the New Year. However, before we unplug the proverbial crystal ball, we also want to share our 2021 predictions and ...

Roman Kepczyk • Dec. 20, 2021



Any predictions that 2021 would be a “post COVID” year were definitely wrong and the outlook continues to be uncertain as we finish out the year and prep for another busy season. The good news is we made it through this storm before and are better prepared to respond to whatever scenario transpires in 2022.

The bad news is that most of us are somewhat pandemic-weary which can dull the spirit of excitement that the New Year brings. So, in the hope of reviving that spirit,

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of hackers, firms will increase the use of multi-factor authentication tools as well as password vaults/wallets to ensure password complexity and minimize the re-use of old passwords and numerical derivatives, ...maybe even “triple” authentication to include biometrics or hardware devices that end users will carry with them.

3. **Cloud Disrupts Business Models:** Firms trying to build a hybrid technology stack of on-premise servers and cloud applications will be thwarted by those building their entire tech stack in the cloud with pre-integrated applications and technology services further driving cloud adoption.
4. **Windows 11 Endures Slow Rollout:** While Microsoft will tout the security of Windows 11 amongst the reasons to upgrade, there will be slow adoption within firms in 2022 until major tax application vendors promote supporting the new version so expect to see a lot of Windows downgrades on new PCs
5. **Microsoft Continues Wins:** While we believe Windows 11 adoption will be slow in accounting firms, the adoption of Microsoft TEAMS, Power BI, Power Automate, Power Apps, etc. will see a surge amongst accounting firms along with the training resources to support those apps.
6. **Advisory Gets Respect:** The advisory “experiments” firms conducted in 2021 and discussions of successful advisory practices at conferences in summer 2022 will drive the push for firms to truly make building advisory services the priority for the second half of the year.
7. **Remote Audit Tech Spotlighted:** The use of remote audit technology such as smartglasses, drones, and maybe even robots will become a reality in larger firms.
8. **AI, ...”Augmented” Intelligence Garners Inroads into Firms:** While lots of applications say their tools utilize “AI,” the reality is that in most cases it is intelligence that accountants have programed into the application in an “If this happens-then do this...” type scripting which we refer to as augmented intelligence. Expect to see a noticeable uptick in adoption of this type of AI in 2022.

9. 5G Sees Adoption: While I won't be so bold as to predict firms will replace one of

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We hope our 2022 predictions will provide some insights and hopefully a little inspiration for improving your technology outlook in the New Year. However, before we unplug the proverbial crystal ball, we also want to share our 2021 predictions and results which we (self-scored) as seven WINS and three LOSSES; read on to see if you agree. **Last Year's Predictions (December 2021):**

- 1. Security Continues as Top Threat:** With cyber hacking being increasingly automated and lucrative, attacks on all entities will expand in 2021 and be beyond the capabilities of most internal accounting firm IT personnel. This will push more firms to move applications to the cloud and enterprise level managed security services to reduce their security exposure. *(WIN as hackers employed increasingly sophisticated methods of attacks against all entities).*
- 2. Cloud/Hosted is "Next" Normal:** With the roll-out of new information technologies accelerating, firm leaders will increasingly struggle to make informed internal technology decisions and push the majority of their applications to the cloud and hosted providers that can more effectively adapt "next" level technology, allowing accounting firms to focus on servicing clients. *(WIN with continued cloud adoption across all businesses).*
- 3. Digital Adoption Peaks, Sticks:** COVID forced many firms to adopt digital processes for client data collection, delivery, and signature, which were initially viewed as temporary accommodations. With another busy season forced digitally, it will become apparent that going back to the old ways of doing things creates a competitive disadvantage. *(WIN as supported by vendor growth and client implementation).*
- 4. Microsoft Teams Dominates Firm Collaboration:** While Zoom (and previously Slack) are the most publicly touted collaboration tools, accountants will hone in on Microsoft Teams for both internal and client collaboration simply because it is included in their Microsoft 365 subscription and integrated with their other productivity applications. *(WIN as experienced in firms visited this year).*

5. VOIP Adoption Surges: With accounting firms accepting remote workers as part

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7. **CAAS Reimbursement on the Rise:** 2021 will be the year that Client Accounting and Advisory Services (CAAS) formally takes off as a dedicated service line within the majority of firms as they realize traditional compliance services are being disintermediated by technology. *(Eking out WIN on this prediction as there was so much CAAS buzz in firms supporting by training, consulting, and vendor promotion).*
8. **Microsoft Power BI Takes Priority:** With firms expanding their client accounting and advisory services to incorporate real-time reporting and analytics, there will be a surge in firms adopting data visualization (dashboard) tools with Microsoft Power Business Intelligence taking the lead in our profession. *(WIN-easy).*
9. **Virtual Practice Metrics:** With an increased percentage of firm work being done remotely, traditional practice metrics of utilization and realization will give way to new practice metrics that identify timeliness, successful initial completion of work, and client satisfaction which we predict firms will begin adopting in 2021. *(Qualifying this as a LOSS as there was a lot of talk about NPS (Net Promoter Score) and similar metrics, but no strong adoption in clients I consulted with).*
10. **Audit Suites Stagnate:** While the volume of remote audit production will increase significantly in 2021, there will be virtually NO change in the engagement binder, trial balance and work program applications firms utilize as they wait for the shake out between the major vendors to provide a comprehensive single suite solution that will meet all of their firm needs. *(Tagging this another easy WIN as everyone seems to be in a holding pattern on considering any changes in the assurance practice applications).*

BONUS PREDICTION: Business Robotics: 2021 will be a year where accountants see adoption of robotic devices within their client base and maybe within their own firms (i.e. delivery of important items such as client source documents or lunch!). *(Pushing out a lame "N/A" on this "bonus" prediction. While I observed robots delivering*

lunches on one University campus, I did not personally have mine delivered which I will

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