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FIRM MANAGEMENT

More Firms Adding Cloud-Based Practice Management Tools

Almost two thirds of accounting firms plan to adopt some form of cloud technology in the next two years to improve virtual collaboration, visibility and efficiency. Of those, one third are accelerating implementation within the next 12 months.

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With the rise in remote working spurred by the pandemic, almost two thirds of accounting firms plan to adopt some form of cloud technology in the next two years

to improve virtual collaboration, visibility and efficiency. Of those, one third are accelerating implementation within the next 12 months.

That's the finding of a recent study conducted by leading software provider [CaseWare International](#), which surveyed 3,095 accounting professionals globally about current industry challenges – from practice management and client/colleague interaction, to attracting top talent in an increasingly virtual world. The results are compiled in a first-of-its kind [2022 State of Accounting Firms Trends Report](#) which is accessible free of charge.

“We are driven by the needs of the industry and what we hear from this report is that remote work has accelerated the move to the cloud and those who are embracing new technologies have the competitive edge,” said Dave Osborne, CEO at CaseWare. “This is a clear indication that firms of all sizes need tools that go beyond securely sharing files, and the cloud is where the adventurous forward thinkers are headed to equip themselves for effective collaborative work.”

Why cloud technology? For half of those surveyed, the benefits include easier collaboration and reducing errors through standardization of processes and tasks. Forty-five percent of respondents think cloud technology improves client relationships, while 41 percent believe it saves time and costs. Others cite as advantages real-time access from any portable device, increased security, mitigating risk and adding flexibility and scalability to help grow their business.

“An increasing number of firms recognize that cloud technology can be more efficient by enabling instantaneous, interactive reviews of continuously-updated engagement files, keeping track of deliverables so managers can quickly reallocate tasks among staff to ensure workloads are equally distributed, and answering team member questions in real time, even at different locations,” said Scott Epstein, Chief Product Officer at CaseWare.

According to the study, cloud is not the only advanced technology accountants are bringing into their practices. Ninety percent of respondents are using some form of data analytics to glean more insight from their data, while more than half of participants (51 percent) are using software automation to reduce the time they spend on repetitive tasks.

Other report highlights include:

- When it comes to the biggest practice management challenges faced this past year, nearly half (47 per cent) of those surveyed point to new tax laws, regulations and deadlines brought on by the pandemic, while 43 per cent cite using new technologies. Others see lack of direct interfacing with clients, adjusting to working remotely, cybersecurity/fraud threats and finding the right talent as key concerns.
- More than half of respondents say they would like to have more visibility into their staff members' workloads, such as on which engagements staff are spending the most time, with what tasks they are most consumed, and how effectively they are meeting deadlines. They would also like more visibility into their firm's operations and engagement workflows, such as the current status of the many tasks that go into an engagement (whether they are open, unassigned or overdue, for example), whether deadlines are overlapping, or where work can be reallocated.
- Most respondents (77 percent) indicate they use a collaboration software solution to communicate and share files with clients. However, the majority (57 percent) feel their overall client engagement process is not as efficient as they would like. For some, the barrier is related to finding time to exploit the technology or internal resistance to new tools.
- Finding and hiring the right talent is a top issue for accounting firms, with 94 percent of those surveyed describing it as challenging and 42 percent calling it extremely challenging. Nearly nine in 10 find hanging on to staff to be either extremely challenging or somewhat challenging.

“As long as COVID-19 persists, technology, virtual collaboration and visibility will continue to be top priorities for accounting professionals,” Epstein said. “Given the efficiencies the cloud brings and the headaches it eliminates, accounting firms that stay rooted in pure on-premises technology approaches are almost certain to fall behind their cloud-enabled competitors.”

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