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Randy Johnston • May. 11, 2022

Innovation as a path for better client service has always worked for my firm. You may recall my personal mission statement is "to help as many people as possible to use technology in a way that benefits them most." Part of my attraction to technology has been the leverage that it can apply to individual talent. Most larger businesses also use a human scale to achieve even more results. However, the most effective

strategy aligns business mission and goals, getting everyone focused on a

Unfortunately, the primary focus of many software publishers is on the income extracted annually or monthly rather than on the value delivered to the client, the firm, and you. This same client sincerely wants a trial balance product that works logically, workpapers that make sense, and other products that help clients manage their day-to-day operations. In other words, what technology provides value?

What Technology Is Worthwhile?

An old management trick to see waste was rebuilding an operation from scratch by taking them into the parking lot and making them justify getting back in the building. Eliminating every person and expense, and justifying adding the costs back to the business is a tough exercise. While I value people highly, some coast along, or worse yet, some people are a distraction and disruptive to the team. It is hard enough to hire and retain good people, but if everyone is not pulling in the same direction, that's worse.

Think of a team of six horses with one pulling right, one pulling left, and one digging in not to move at all. How effective are the other three? Is this a suitable time to reflect on which people and technologies are paying off? In 2021, I suggested that you look at every Software as a Service (SaaS) subscription and eliminate the unnecessary subscriptions allowed during the pandemic. Think about how many streaming services and subscriptions you have personally or as a firm that may not be used optimally.

I rarely make "over the top" or one-size-fits-all recommendations. However, I've been reflecting on this recommendation for all this year. Prepare to replace all your end-user hardware. The value proposition became clear when presenting at a conference in the past week. 2022 is the start of a massive wave of technology innovation. I have seen this type of wave a few times in my career.

Once was when the 286 chip was introduced in the 1980s leading to rapid CPU

Most of the prior innovations took a five to ten-year cycle to be fully realized. But **innovators** benefited almost immediately, certainly with the year. And are you an innovator? With all the market hype cycles and innovation curves, you have heard of early and late adopters, and many accountants are laggards. My favorite true example of this is an attendee who explained that she loved listening to my presentations because I always spoke about so many innovative items. However, she never used them herself because her partner group thought that speeding things up reduced profits AND cost hard dollars. It turns out they were billing by the hour and taking a task from 60 minutes to 30 or 15 minutes cost them billable time. I explained that she might want to get out on her own, invest in the technology, and forge her own path. The next time I saw her, she was ecstatic with the change innovation had brought into her life.

So, this year is a significant hardware year, and you should prepare to replace everything you own during the next 24-36 months. Routine replacements would be a regular cycle if you replace hardware every 3-4 years. For others, you've been holding on to old gear because you'd have to spend hard dollars on replacing something that is working. As an associate of mine, Brian Tankersley, has said for years "life is too short for cheap ice cream and cheap hardware."

Consider this ratio. Last year, I purchased the fastest hardware CPU available for a desktop computer with an AMD 5950X CPU. Some of the tasks on my prior computer went from around 90 minutes to about 5 minutes. Consider your billable rate, not mine, and estimate the value of a task done at least weekly that went from 90 to 5 minutes. Sometimes this task was done more than weekly. You've probably already done the math in your head, but 52 weeks x 85 minutes = 4,420 minutes = 73.67 hours. At $100 per hour, that's $7,367! Do you think my new computer was that much? Not even close. Both AMD and Intel claim that this year's latest processors are **anywhere from 40 to 100% faster than last year's processors**. This acceleration

reminds me of the progression from 286 to 386 to 486 from 1982 to 1989. The faster

1. Performance cores and efficiency cores – CPU chips that run fast and others that conserve power
2. AI and neural cores – specialty processors that run artificial intelligence and machine learning loads optimally
3. Graphics cores – these graphics processing units are being developed and delivered to provide gamers a better experience with faster refresh rates and response times, plus features like ray tracing
4. Faster RAM
5. Faster Disk input/out via PCI-E Gen 4
6. Faster Wi-Fi with Wi-Fi 6E

I believe that developers will see the new hardware horsepower and take advantage of it. Further, if Cristiano Amon, President, and CEO of Qualcomm Inc., is correct, we will need more edge computing power. Cristiano suggests that there will be more than one billion connected devices, that cloud growth will be 35% year-over-year, and that by 2025 – 64% of data will be created outside data centers at the edge.

So, What Do I Do Now?

Assume that every desktop, laptop, and smartphone you own today is obsolete. Take these devices out in the parking lot and make them justify continued use in your firm and personal life. All that e-waste makes me weak but keeping obsolete technology would be worse. Few computers or phones in use today should be in use by 2025. Technologies like 5G, Wi-Fi 6E, DDR5/6, PCI Gen 4/5, and a plethora of cores will change the way we use computers and phones. I've already designed the next killer app for accountants. My rule of thumb is that if I have seen the next opportunity, so have many others. I want to find innovative developers and accountants to help make this vision real. We've done it before, and we can do it again.

It takes a lot of effort to get a new generation of applications to market. Besides the

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