

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

ADVISORY

How Cloud Solutions Can Power Modern CPA Firms

Adopting cloud technologies can help you to grow your firm successfully, retain and attract new talent and introduce new services to your clients. The power of cloud can benefit multiple aspects of your business - and can be the key to your ...

Jun. 02, 2022



By Jim Dunham.

While cloud solutions were already becoming increasingly widespread across multiple industries, Covid-19 accelerated adoption as the way we work underwent

significant lasting changes. However, cloud adoption has been noticeably slower among CPA firms.

Historically there were numerous reasons for this slow growth. Many CPA firms had spent years building highly customized on-premise solutions to meet their specific needs. There were real concerns they could lose some of the functionality that had been built and refined over years if they moved to the cloud. There was also a shortage of cloud solutions that let CPA's manage critical functions including payroll, rather than simply outsourcing it. In addition, outdated historical ideologies have made it difficult for many firms to move away from their legacy systems.

It's time firms come to terms with the facts and leave their cloud hesitation in the past. There are now enough high-profile, successful cloud providers in the market to present it as not only a viable option – but a better choice for the modern CPA firm.

Heightened security with cloud

CPAs work with highly sensitive financial and personal data, making security a top requirement. A data breach or ransomware attack can harm firms monetarily and permanently tarnish reputations. The consequences of cyberattacks are of concern as the frequency has dramatically increased over the last year. In only the first six months of 2021, [the global volume of ransomware attacks](#) increased by 151%. The size of your firm does not matter – cybercriminals do not discriminate. Threat actors execute attacks for their own monetary gain. We recently saw a [small accounting firm of only ten employees](#) suffer from a ransomware attack resulting in a total cost of \$83,660.

Today's CPA firms need to prioritize cybersecurity to ensure their business stays in business. Historically, some firms believed that holding data in-house on servers locked in closets was the best option to remain secure. This is no longer the case. Cybercriminals are incredibly savvy and can breach on-premise solutions and quickly capitalize, especially if firms have not taken the appropriate precautions and use out-of-date, end-of-life programs. Firms can minimize this threat by ensuring all operational software is promptly updated to include the latest cybersecurity features. Robust cybersecurity requires ongoing investment and maintenance to ensure systems are protected, and small firms often may not have the budget or expertise to bolster adequate in-house cybersecurity measures that keep their data protected.

One of the many benefits of cloud solutions is providers prioritize cybersecurity. Today's cloud technology offers increased security compared to on-premise

solutions. As cloud providers are now some of the largest companies in the world, they have the resources to prioritize cybersecurity to protect their customers' data. This means CPA firms can count on their cloud solution providers to ensure data remains protected.

Building for the future: attract and retain talent with cloud solutions

Another byproduct of the pandemic has been The Great Resignation. According to the [Bureau of Labor Statistics](#), 4.5 million employees in the U.S. quit their jobs in November 2021. The great resignation has affected employee retention across all industries, including accounting. We have seen [2-3 million accounting professionals](#) retiring early. Employee retention is now an imperative for CPA firms including attracting new, younger talent to help drive firms into the future and meet evolving client needs.

To build for the future, CPAs should look at how these generations use technology. 'Generation now' instantly accessing systems and applications wherever they are in the world. They expect efficiency, from automated workflows and administration, real-time collaboration with colleagues and smooth processes with clients.

Cloud solutions allow accountancy professionals to utilize technology and services that reduce admin, reporting and data entry, arming them with time and information to solve problems and make improvements, giving them time to do what they value. Firms can attract new, younger talent by offering cutting-edge technology platforms and positioning themselves as tech-forward.

Use cloud to drive value

Driving value is the Trojan horse of cloud technology. How much value could be gained through efficient onboarding, practice management, document management, payroll and cloud-based client services? What would be the outcome for the CPA and its clients be?

The value transcends the CPA ecosystem, including clients. Cloud solutions support the new expectation for remote, flexible ways of working and removes all geographical barriers.

Accounting professionals are instantly compliant, more productive and vastly reduce time on administration, reporting and data entry, so they can focus on creating a more profitable business. Advanced cloud solutions also allow CPAs to enable data-driven results to fuel their advisory services by accelerating and enabling data

analysis and leveraging predictive capabilities. The value is deeper, broader, longer lasting and more profitable client relationships.

Stay ahead of the curve or risk falling behind your competitors

Times and technology are changing across the industry. If your firm is holding out on the switch to cloud because you risk falling behind your competitors. As data continues to grow exponentially, its critical firms realize its value. Cloud systems will enable your firm to safely store, process, analyze and drive value from your clients' data.

Adopting cloud technologies can help you to grow your firm successfully, retain and attract new talent and introduce new services to your clients. The power of cloud can benefit multiple aspects of your business – and can be the key to your firm's short-term and long-term success.

=====

Jim Dunham is president and general manager of [IRIS Americas](#).

Advisory • Firm Management • Technology • Article

CPAPA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2022 Firmworks, LLC. All rights reserved