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ACCOUNTING

The Technology Lab Podcast – Recap of AICPA Engage 2023

Technologists Randy Johnston and Brian Tankersley, CPA, discuss the 2023 AICPA Engage conference. The largest annual event by the AICPA, Engage brings together professionals in all areas of practice for education, networking, and other events.

Brian Tankersley • Randy Johnston • Jun. 21, 2023

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Featuring
Randy Johnston & Brian Tankersley



Technologists Randy Johnston and Brian Tankersley, CPA, discuss the 2023 AICPA Engage conference, held in Las Vegas, June 3-8, 2023. The largest annual event by the association, Engage brings together professionals in all areas of practice for education, networking, and other events.

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Podcast Transcript

(Add apx 10 seconds to time stamps due to intro.)

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SPEAKERS

Randy Johnston, Brian F. Tankersley, CPA.CITP, CGMA

Randy Johnston 00:00

Good day. Welcome to Technology Lab. I'm Randy Johnston with my co host, Brian Tankersley, we'd like to talk to you about engage 2023, Brian and I both presented at the event, and both attended. But he started off his time attending the CPA practice advisor is 40, under 40. Now, if you're a listener and would like to apply, you certainly could apply to be in this group, which is a very interesting group of young CPAs, with a significant amount of technology and practice knowledge. Now, Brian, I know you attended the 40, under 40, this year, and you've been on the 40, under 40. And the list in the past, what should our listeners know about what you learned?

Brian F. Tankersley, CPA.CITP, CGMA 00:45

Well, I think it's good to think it's helpful to go to these kinds of meetings, because there are a lot of very talented, very forward thinking practitioners in there, you know, we had we had people in there that that were, that were running their own practices, and that were just generally, generally were just doing interesting things. And so the conversation was really good, because you got to find out what was actually working and what wasn't working in their minds. It was also interesting, we had some discussions about practice management philosophy and generative AI and other things like that. And most of this group is actually trying the generative AI, by the way, you know, you got to be really careful about the about the

privacy issues with that, but the only way to learn how to write prompts is to do it. So it's something that you're gonna have to throw some time at. But with the group, you know, we had presentations from Intuit and Wolters Kluwer. And I think we had a lot of very good, interesting discussions. I think they were generally upset that there hadn't been more progress in getting some of the cloud applications out. I think, you know, I think they were, they were working on issues like practice management, that were that that have been a theme that you and I've seen ready in the professional where people are interested in doing something a little bit different for practice management. This group, obviously, since many of them had started their own firms, or were, were the benevolent overlords taking over their parents, their parents, existing firms. As a result, this group seemed to have some more, some more forward thinking things in there, you know, some of them were using the New Lodge engagement letter generator. Some of them were using tools like go proposal to, to set up their proposals. Most of them were doing engagement letter E signature, and had had that going. So there were a lot of a lot of interesting practices that we discussed.

Randy Johnston 03:00

Yeah. And, you know, as I listened to you talk about that, I understand when I was younger, I was also impatient, but I'm gonna flip it all the way upside down. It seems to me that the development cycle of products is notably slowed down, because of the money behind the companies. They've been kind of cutting corners on developers and cutting corners on support people and so forth, trying to drive more bottom line profit. I think that would be a trend across the entire profession, which, you know, will we have a separate Technology Lab on practice management trends, for example, and tech governance, which we certainly encourage you to listen to. But it turns out these these trends, I think, are long term trends, because you have the public companies like Intuit and Wolters Kluwer who I think, attended the 40, under 40 event, you've got the whole genre of AI, which we've had multiple different episodes, at least five on AI, and we'd encourage you to listen to those with many of the cautions and what not. But whenever you hang out with smart people, my rule of thumb is you'll learn something new. And that's the good news of being able to attend, you know, that type of event. I also note, Brian, that the CPA practice advisor, have sponsored the most powerful women in in both of these lists, the 40, under 40 Most Powerful Women, I would encourage you look up to see who is there but again, a pretty smart group of people to hang with and you and I think know, pretty much everybody on both lists.

Brian F. Tankersley, CPA.CITP, CGMA 04:36

Yeah, except for Janet Yellen who was on the most powerful women in accounting and you know, I I kind of question whether she's really an accounting because I don't know how much accounting goes on at the federal level. But anyway, looking but but it was a good event. You know, there was a lot of buzz engaged around AI Randy. You know, I noted that field Guide had some announcements where you could basically feed in policies and then it would summarize them for you. There was a lot of a lot of people were wanted wanted to use copilot today, and John Hagen, you in your presentation be in mind, John Higgins and his all all talked about Microsoft co pilot, which is due out later this year, and is going to be an upcharge for Office. So we don't, you know, we got a lot of things we don't know there. Thompson in their legal division had shown a has shown a engagement with a contract generator, that that uses Chat GPT. However, with Thompson's reorg, all the development is centralized, as opposed to being by division. And so I think, you know, that since that contract generator is still in beta, and still still just kind of a proof of concept. I think that it's going to be quite a while before anything comes out. Somebody was on Twitter yesterday talking about talking about wanting to know what the status of using something like that in accounting was. And I, if I was a betting man, I would say the earliest you'd see something like that, given this, this reduced in spend or reduced in development that you were talking about, Randy, I think the earliest you might see a proof of concept of that would be something at their user conference this fall.

Randy Johnston 06:25

Yeah, understood. And you know, there were a lot of other accelerator veterans besides the field guide, folks, you know, both of us know, Kelly, man from audit minor. Well, and you've already mentioned Nula, for example, of course, audit minor is going to get their SOC certification for that product, but you also had players actually

Brian F. Tankersley, CPA.CITP, CGMA 06:46

actually sit next to Kelly in the succession. And in a succession that was right before my session. And, you know, she's, you know, she's one of the 25 most powerful women in accounting, she actually got the award. And I think she's an amazing addition to this, you know, she's just, she's a dynamo. And I think she's somebody definitely to watch.

Randy Johnston 07:12

Very interesting. And, you know, as it turns out, others, like the, for impact data folks, or the sender, folks, for example, you know, they had presence at the event, and many people don't recognize that the products exist yet.

Brian F. Tankersley, CPA.CITP, CGMA 07:28

And the thing about it is, that's where most of the original thinking is coming in right now. You know, if you look at, you know, these these problems that the startups are solving, you know, whether it's the data driven audit, AND, OR, and inflow or whether it's the weather, we're talking about Field Guide, and the need to map the different audit schemas on top of each other. So sock, the control objectives you have for sock and for, for, for regular audit, and for Kosovo, and for ISO 27,001, you know, mapping those on top of each other. So you don't have to do the same work three times, I think, is a pretty big deal. You know, I, I'm, I'm disappointed, but not incredibly surprised, because it seems like the earnings pressure that the existing players are getting is is just really, really strong these days.

Randy Johnston 08:27

It is real. And in fact, us we said it to each other independently coming to the same conclusion. But I heard it directly from way too many people. The expectations, our performance plan is unachievable. And you know, we're set up for failure in effect. And, you know, I just think about how many long term and newbies by the way, contacts from the vendor floor, basically, we're talking about what they had to be able to achieve. And,

Brian F. Tankersley, CPA.CITP, CGMA 09:03

and I think a lot of that is related to the fact that we have people coming in, that are very good at managing investments and doing due diligence and things and running companies that are in a different vertical. And they're having now to make some decisions, not understanding the whole ramifications on on the relation, the existing relationships with the profession. You know, accountants, like, you know, accountants switch tax software, a unit you've said, I think you're the first to say it, then the switch tax software about as often as major world religions, and, you know, adoption of audit things is on a three year cycle, usually tracking the peer review. There are a lot of things like that, because there's so many moving parts that have to be dealt with, when we're changing this stuff out on a practice that is, by the way, continuing to run and do all the other things there. So

Randy Johnston 09:57

and I was amazed Brian, how many conversations I had to have related to the sheer prep not working with processed and tax announcements over the month of May and you know, people were just amazingly frantic is the word I'm going to use because they're forced to change software in many cases.

Brian F. Tankersley, CPA.CITP, CGMA 10:18

Yes. So So here's the here's the facts, as I understand them from from a presentation from day while I've gotten some independent corroboration from Wolters Kluwer and others, but what my understanding is, is that Wolters Kluwer is not going to renew your preps license for prosystem FX tax after November of this year. And that means that all your preps outsourced prepares, will no longer be able to use prosystem effects tax. Okay. So that means that those firms should they wish to continue using sure prep will have to upgrade to access or switch to extra tax or do something different. So that that's a big move here. And, you know, it kind of it kind of reminds me of when Thompson wouldn't integrate with people 15 years ago. Now, Dave says that Thompson has gotten religion on that, and that they're, they're open and everything. And maybe they are. But But I will tell you that I've I've had, I had a couple of people that you and I talked to, that were trying to get integrated with practice ces that were struggling. And so, you know, I think I think we have to watch out for this, this proprietary data strategy and the these, again, some of the moves in here, I think we've got people, I think we've got so much pressure going on, people don't know what to do.

Randy Johnston 11:56

Yeah, and you know, as you're thinking about these trends, obviously you and I've run the accounting firm operations technology survey for about a decade. And we get a spot those trends, oftentimes a year to two years before they become obvious in the market. But I am now more than convinced than ever, this conversation we've had in the past about choosing all one suite from a single vendor like Wolters Kluwer or Thomson Reuters versus best of breed. Some of the risks of best of breed are becoming obvious if the, the suppliers don't play friendly. And, you know, there's always been walled gardens. And you know, some vendors won't expose all of their data for various reasons and whatnot. But this particular forced conversion is going to be fascinating to watch play out. Now, we have actually worked through a way that you can split your, you know, Wolters Kluwer processed in tax, and access tax and process with your prep and so forth. So, you know, it can be solved, but it isn't an easy solve.

And a lot of people didn't have that on their agenda to solve this year until they found out about it may. So again, you know, I'm just thinking about the vendor conversations in the attendee conversations that he engaged. This was a frantic put. But let's

Brian F. Tankersley, CPA.CITP, CGMA 13:17

not forget now, for those that are trying to solve these data integration problems and other things like this, there are companies out there like once accounting, and there are robotic process automation tools out there, that that can be used to automate some of this integration, even if somebody won't let you do. Okay. So for example, if you had a spreadsheet, you know, sure prep were to create the input data that they want to map over to the tax software, if they were to create the Working Papers associated with that, and then just put put that into a spreadsheet. Somebody could write an RPA bot to go input that into processed and ethics tax, that kind of work around this. But that's an ugly task that we're talking about. And, and that's something that that is going to need more testing than I think we have window to do between now and January.

Randy Johnston 14:10

Yeah, I think that's true. You know, there's a couple of other important observations. I think, of course, we note that Iris had announced in January that they were going to consolidate docket and I channel into one. And they have also announced that they're going to consolidate star practice management practice engine cinta into one. So there's some Iris consolidations that will affect some of our listeners clearly. But you know, if you go back to the big trends besides AI, because everybody's talking about AI, like they, they know what they're doing, and it's also novice and new, but similar,

Brian F. Tankersley, CPA.CITP, CGMA 14:52

but can I say can I say that that with AI? It reminds me so much of the the social media consultant In the SEO consultants 1520 years ago, when it was all new, you know, a homeless guy can hold up a sign and say that I'm an I'm an AI consultant now.

Randy Johnston 15:11

You know, it's that's pretty true, Brian, it is pretty much like that, isn't it? So, you know, there may be a couple of other important things to call out because the number one trend after AI in my mind was single portal. Everybody's trying to get to single portal. And of course, you know, the shearling folks were on the floor and the CEO joined them, you know, at the at the event, but you had liscio, who was holding meetings on this and others were trying to get their smart ball was presence of words, just to name three single portal approaches. Of course, ShareFile, a long term product that we've talked about was trying to make a new impression with their change in management. But when everything is said and done, single portal, big deal, but the other one was, the lack of talent is still a problem. We've got another technology lab speaking about outsourcing. But as it turns out, the talent shortage is not quite as severe as it was, but it's still real. And we were introduced by Val steed from Zoho to a provider called miles education, which was a very fascinating model. So do you want to describe that for

Brian F. Tankersley, CPA.CITP, CGMA 16:28

the listener? Yeah. So in miles education, what they're doing is they're taking people that are people that are students in there, excuse me, that are working in India today as accountants for PwC, the Big Four and other outsourced operations. In some cases, they are doing just data entry. In other cases, they are they are actually going in and doing some of the prep work. So some of them actually hold CA's. You know, they're Chartered Accountants in India. Now, what these people are doing is they're coming over to the states, they're enrolling in a Master of Accountancy program, they've got partnerships with a wide range of universities. And, and so they are taking these these folks that that are coming over with experience already that have already become acclimated into professional practice. And they're putting them into master's programs. And then the employees then after they graduate, they can actually stay in the US for a couple of years. And then they're going to most of them are plan to apply for h1, I plan to work and apply for an h1 B, Visa, and then do that for a couple of years in the US. And if they get an h1 B Great. If they don't get an h1, B, then they could go back to India and effectively be very experienced staff people that could train others and they would already have had two years of onshore work with those with the firms that hire them. Now big firms are doing, you know, big, big associations. We're doing this. We're doing we're hiring these folks. You know, it was I think they cited BDO and McGladrey and get other top 50 firms. And they said that these folks are just getting snapped up. Because effectively they're getting five year people that have five years of experience inside an accounting firm, plus a recent master's degree that that and they're just picking the best of the best because these

folks want to leave India and come to the States. And so it's an interesting model, I thought,

Randy Johnston 18:36

yeah, I had not seen one like it. So it was interesting to meet one of the representatives of the company. Now, you know, just a couple more ideas. Before we have to close today's session. I know that the AICPA has been promoting their Dazz audit product. And, of course, we've got a separate session Technology Lab on audit tool trends that you might want to listen to if you have any interest in audit, comp and review. But we do note that the Daz product has a bit of delay to it, but it will make it out this year. So what can you tell our listeners about that?

Brian F. Tankersley, CPA.CITP, CGMA 19:18

It's like said we, we they that's the topic that comes up a lot in a lot of the thought leaders slash speaker dinners and things like that, because there are a lot of cpa.com folks, of course that are in there. And it's my understanding that Daz is been delayed until it's supposed to come out with a commercial release in July. Right now. It's kind of in beta. And they did I think Jim Burke at with him did some work on auto dealerships in a very limited trial. And so there's still some things to work on there. I am told that the amount of money AICPA spent on this is in the 10s of millions of dollars, so I I'm quite excited about about seeing what they've done. But at this point, we're still, we're still kind of waiting to see what this looks like.

Randy Johnston 20:10

Yeah, understood? Well, you know, we were fortunate to be able to do in my case, Tech Update, in your case, I know you did rpa, and so forth. Always pleasure to be able to go and speak, but just as important to be able to talk with a number of the attendees and the vendor exhibitors. So you know, just thinking it through, I know, there's much, much more we could talk about because of the things that we encountered, but I don't, there weren't that many announcements, there were that many new products of products that we've recommended, like the dot CPA domain, were covered in sessions and whatnot. But any other things of note, Brian from

Brian F. Tankersley, CPA.CITP, CGMA 20:50

IH, I think, I think it is more critical than ever, that you get out and go to big conferences, right now, there's a lot changing with practice management with new

products with data driven audit with, with Ginette generated AI. And I think you need to, it's, I think the problem we all have is that we don't know what we don't know. And the only way you're gonna get it is to get out and talk to other people that are trying things and to get out and see things face to face, and understand what's possible. And so, you know, engaged is done for this year, but digital CPAs coming up this fall, scaling new heights, Will is in, I guess late June, I don't know if this podcast will come out before then. But you know, there are a lot of there are a lot of national conferences. And I think it's important that you keep up because I think the pace of change we're looking at right now is much faster than we've ever had in the past. And the likelihood of you having a view getting left behind is pretty strong if you don't start adapting to some of these changes, because I sense that they're coming down the pike, very, very fast, much faster than traditional standard settings, things have come down the pike. And so I think I think you're gonna have to really watch out if you're moving, because I think it's gonna be gonna be really, you know, this is like a situation where you have an interstate with a speed bump. Okay, I think you have to really watch because I think those speed bumps are there. And if you don't know they're there, you're gonna, you're gonna have a mess on your hands.

Randy Johnston 22:32

Yeah, and I will, I appreciate that. And I will also caution you, if you're staying inside your own four walls, the misrepresentations from sales reps, and on vendors, websites are pretty broad. I did consulting work just yesterday with multiple CPA firms and every situation they'd looked at content on the vendor website. That was incorrect. And so I don't know why I just know it was wrong, right.

Brian F. Tankersley, CPA.CITP, CGMA 22:59

And that's another reason to go to the big conferences, because I get more networking done and more real stuff solved in one day of a big conference, like engaged or scaling or others than I do in a month of trying to go to webinars and make phone calls and chase people down at the office. So I just had I just had, you know, four days that engage and I gotta tell you, I'm a loaded up with all kinds of stuff. But if I didn't do that, then I would, I would I would be getting behind it might not even know it.

Randy Johnston 23:34

Yeah. Understood. Well, such a pleasure to have you join us for this update. And hopefully you got an idea or two out of what happened and engage. And Brian, I will

be with you in a future technology lab. Good day.

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