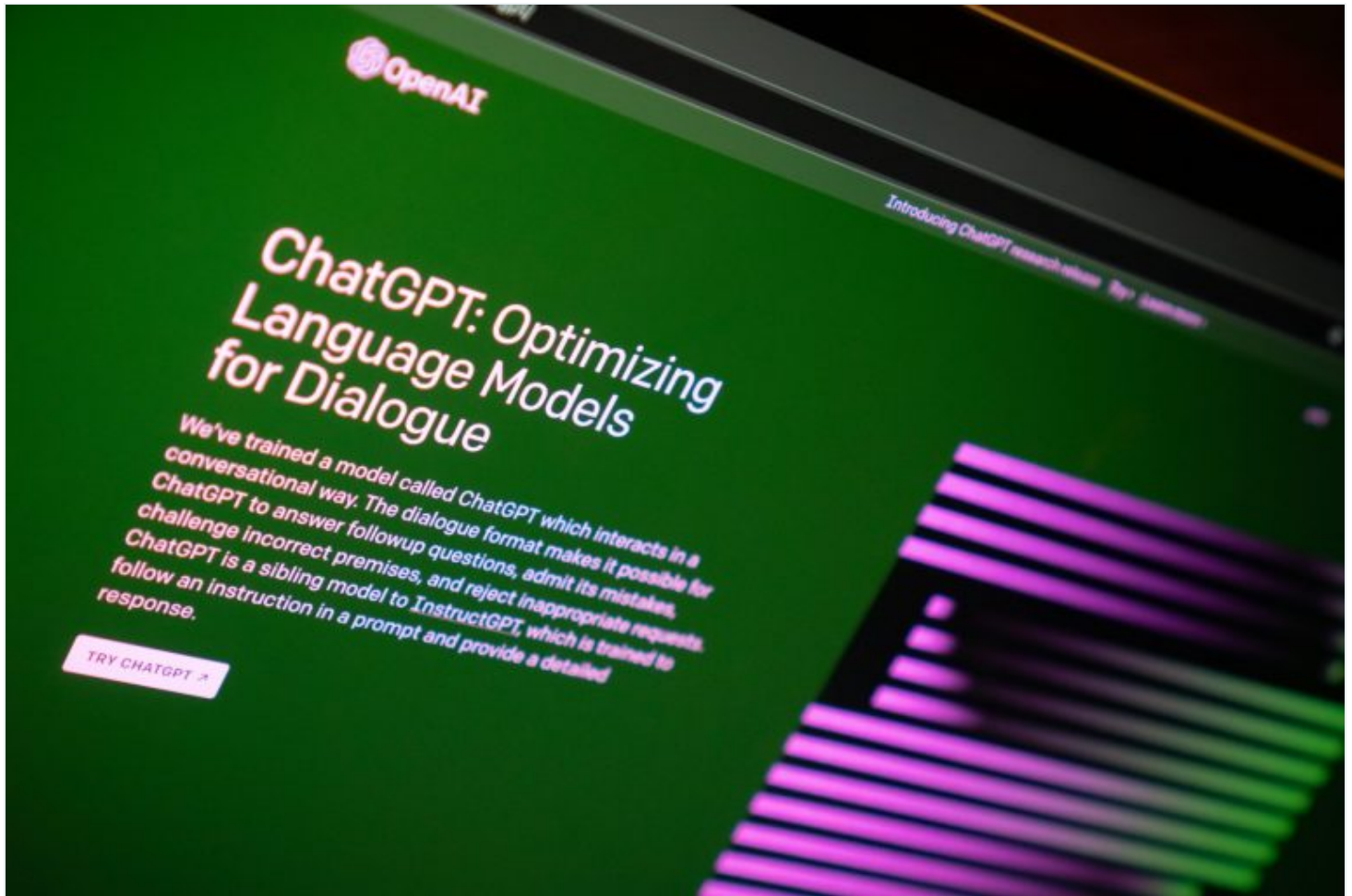


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Randy Johnston • Jul. 27, 2023



A Top Technology Initiative Article – August 2023,

With so much coverage of Artificial Intelligence (AI), ChatGPT, and many trying to be “the expert,” I thought it was past time to turn to help you with your AI strategy. As noted in my [April column](#), there are various innovative uses of AI and privacy risks for your client data. Additionally, as we covered AI tools in my [June column](#), I recognized that my priorities for AI are not yours, nor should they be.

What is important is considering your firm, your team, and your clients and their

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If you are primarily a tax firm, consider what questions and applications from AI would be helpful for tax. Likewise, if you have an active CAS (Client Accounting Services) practice, consider what AI could do for you and your clients in this area. Similarly, the same is true for Advisory, Audit, Wealth Management, Litigation Support, or any other areas where you routinely provide services. We believe that the proper use of AI will make you and your team better, more productive accountants, generating new ideas for your consideration. Mundane tasks can be completed more rapidly, efficiently, and effectively, but you, as the professional, are still responsible for the deliverable to the client.

Additionally, remember that AI can be used like an intelligent assistant that gets better with training. Unfortunately, you must understand that this assistant doesn't do a good job with privacy, having somewhat "loose lips." Privacy concerns about uploading any client confidential information will remain a stumbling block and caution to our recommendations for using AI by accounting professionals as long as the LLMs remain public and owned by the providers. Today, the prompts and data you provide to ChatGPT and the LLMs become the property of the publishers.

As I requested in my last column, if you have developed a use of AI that you'd like to share, please email me at randy@k2e.com. I will attribute the idea to you and add it to my warehouse of AI ideas. I am developing a cookbook of AI prompts and applications that will have practical use in your firm.

As a reminder, colleague Brian Tankersley and I have recorded five podcasts on the topics of AI with [ChatGPT4](#), [Microsoft AI](#), [DALL-E & AI Competitors](#), [AI Truthiness & Hallucinations](#), and [Large Language Model \(LLM\) considerations](#). Please ensure you have checked out these AI podcasts and our podcast discussions of various other products at [The Technology Lab](#).

So, What Makes Practical Sense as an AI Strategy?

I frequently claim that I'm a straightforward person when it comes to using

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4. The most **challenging** items (preparing presentations, coordinating appropriate staff training, writing and maintaining policies, etc.)
5. The most **fun** items (client recruitment, coordinating events, working on team camaraderie, morale, attitude, etc.)

Of course, things that are time-consuming, routine, creative, challenging, or fun for me could be the complete opposite for you. The examples listed above are not THE list of items, but a few examples to get you started with your own list. For that matter, ChatGPT could help generate these lists for you as a starting point. As an example of the ChatGPT response to “What are the most **time-consuming** items in a CPA Firm,” ChatGPT suggested the following (completely unedited):

Accounting or Certified Public Accountant (CPA) firms often have to manage numerous tasks, some of which can be quite time-consuming. Here are some of them:

1. **Tax Preparation and Filing:** This is often the most time-consuming task in an accounting firm, especially during the tax season. It involves collecting and organizing client data, analyzing it to ensure compliance with tax laws, preparing tax returns, and filing them on behalf of clients.
2. **Auditing:** Audit engagements require meticulous planning, execution, and review. Auditors need to thoroughly examine a client's financial records and operations to ensure accuracy and compliance with laws and regulations. This process includes client meetings, data gathering and analysis, and report writing, all of which can take a significant amount of time.
3. **Bookkeeping:** Regular bookkeeping tasks such as data entry, managing accounts payable and receivable, and reconciling bank statements can be quite time-consuming, especially for larger clients with complex financial situations.
4. **Client Meetings and Communication:** These tasks are essential for building and maintaining client relationships. They involve discussing and understanding the

client's needs, explaining complex financial matters, and advising on strategies

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time-consuming. It often involves networking, marketing efforts, and proposal writing.

8. Internal Operations: Finally, managing the firm's operations – including staff supervision, training, billing, and technology maintenance – can also take up a substantial amount of time.

It's worth noting that technological advancements such as cloud-based accounting software, automation, and artificial intelligence are helping to reduce the time required for many of these tasks. However, they still require significant oversight, review, and human judgment to ensure accuracy and compliance.

Next, take your list of 25 items or so, and check that they support one or more of your organization's strategies or tactics. I have used ChatGPT to accomplish this by supplying my organizational strategies and tactics (since they are not particularly confidential) and asking ChatGPT to match the items you have named to objectives. You will discover any mismatches and can generate a table of items you can now pursue with AI technology.

K2 Strategies

1. Provide the highest quality CPE in the market
2. Be the technology leader in Accounting CPE
3. Provide actionable recommendations in every course
4. Educate professionals by providing insights not available from any other source
5. Identify emerging and leading technologies that affect accounting and build courses to educate accounting professionals on these topics
6. Be aware of any technology that affects the practice of public or industry accounting

7. Maintain independence in making recommendations that are authentic and work

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ChatGPT suggested the following (again, unedited):

To accomplish these objectives, it's vital to have a strategic plan in place. This plan should include different aspects such as marketing, operations, technology, human resources, and finances.

Here's a high-level strategic plan for K2 Enterprises:

- 1. Quality Assurance and Course Development:** Hire experienced course creators who have deep knowledge in Accounting and relevant technologies. Develop robust QA processes to ensure the highest quality of your CPE courses. Regularly review and update course content.
- 2. Technology Leadership:** Invest in R&D to stay ahead in technology. Partner with tech companies and constantly be on the lookout for advancements that could impact Accounting CPE.
- 3. Actionable Recommendations:** Ensure each course includes practical case studies and actionable recommendations. Invite industry leaders to share their experiences and insights.
- 4. Unique Insights:** Collaborate with leading researchers, industry experts, and innovators to provide insights not available elsewhere.
- 5. Emerging Technologies:** Create a dedicated team for identifying emerging technologies affecting accounting. Build courses around these technologies to ensure your learners are always ahead of the curve.
- 6. Technology Awareness:** Subscribe to tech newsletters, attend tech conferences and maintain relationships with tech companies to stay updated on new technologies impacting accounting practices.
- 7. Independence:** Be transparent about your partnerships and affiliations. Base your course recommendations on thorough research and testing, not on partnership agreements.

8. Partnership with Hardware and Software Publishers: Work closely with

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in Course Delivery, from a combination of the above technology, for delivering content. Offer courses in different formats like live webinars, on-demand video courses, and in-person seminars to cater to different learning preferences.

2. Culture and Lifestyle: Cultivate a company culture that values fun, freedom, and financial success. Encourage remote work and flexible schedules. Promote a healthy work-life balance.

Remember, implementing this plan will require concerted effort across all levels of your organization. It's important to set measurable goals and regularly monitor your progress towards these objectives. Consider hiring experts or consulting firms for guidance if necessary.

Besides a few grammatical errors, the content generated is a good starting point for discussion. More importantly, the entire exercise to generate both the "time-consuming" list and the tactics to match the K2 strategies took less than 15 seconds. The most time-consuming was putting in the two prompts. Refinement was easy, too. For example, I went on to ask, "Can you suggest three tactics for each of these strategies?" Again, the unedited response is below. Note that I could have just as easily asked for five tactics instead of three.

Sure, I'd be happy to help. Here are three tactics for each of these strategies:

1. Quality Assurance and Course Development

- Use modern tools and technologies for course development, such as interactive video content and AI-based assessment systems.
- Regularly solicit feedback from learners and use this feedback to continuously improve course content and delivery.
- Offer additional resources and materials for learners who want to explore topics in more depth.

2. Technology Leadership

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- Use real-life case studies in your courses to make the learning more applicable.
- Provide assignments that simulate real-world scenarios and require learners to apply what they've learned.
- Schedule live Q&A sessions with industry experts, so learners can get direct feedback and advice.

4. Unique Insights

- Organize webinars and guest lectures by industry leaders and subject matter experts.
- Collaborate with academic institutions for research and development.
- Facilitate and encourage thought leadership among your team members by giving them platforms to share their expertise.

5. Emerging Technologies

- Attend technology conferences and trade shows to discover new advancements.
- Sponsor or host tech competitions to encourage innovation in the accounting field.
- Conduct regular training for your team on emerging technologies.

6. Technology Awareness

- Organize regular tech meetups for your team to share new knowledge and insights.
- Subscribe to industry-leading tech magazines and online publications.
- Encourage team members to take tech certifications to enhance their skills.

7. Independence

- Disclose any partnerships or affiliations with course providers or tech companies.

- Implement a strict code of conduct to ensure unbiased recommendations.

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9. Website Maintenance

- Perform regular audits of your websites to ensure they're functioning optimally.
- Incorporate latest web design trends to keep your websites fresh and engaging.
- Implement cybersecurity measures to protect your sites and user data.

10. NASBA Certifications

- Stay updated on NASBA's latest certification criteria and changes.
- Set up a compliance team to ensure all courses adhere to NASBA requirements.
- Regularly audit your courses to verify they meet or exceed NASBA standards.

11. Course Delivery

- Use high-quality video conferencing tools for live webinars.
- Provide downloadable course material for offline study.
- Incorporate adaptive learning technologies for personalized learning experiences.

12. Culture and Lifestyle

- Promote a results-oriented work environment instead of clock-watching.
- Encourage team-building activities and social events.
- Provide resources and support for mental and physical health.

Of this list, I'm not too wild about hackathons. Most of the other recommendations are reasonable tactics. AND I didn't have to use any notable brain power to get started. This method certainly beats starting with a blank piece of paper. Although it may not be quite as creative, it is certainly a great start. With a simple prompt, "Present the objectives, strategic plan, and tactics in a table," I received a well-formatted table for use. (Note: if you completed the manual list of 25 items suggested

earlier, after matching them with your objectives, try generating the items using

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creating prompts there. For our purposes, as a first example, let's assume that one of the firm's business objectives is to teach cybersecurity concepts monthly as part of our IRS 5293/5447 Written Information Security Plan compliance. We've never had training like this for our firm, so how do we develop the content?

Let's consider how email responses might be written as a second example. The goal is to save time and write better responses that are easier to understand. At the same time, we don't want to violate any clients' confidences. As a style, you may wish to have ChatGPT to summarize your technical accounting response in simpler English, let's say at the tenth-grade level. Assume that you have received the following request from a client. Your checklist may be 1) copy the email to your firm's prompting spreadsheet, 2) check for any confidential information, 3) copy and paste the collection of prompts to support the request, which includes writing at the tenth-grade level, 4) proof the response in ChatGPT, 5) Output a PDF of the client response and prompts used, 6) Record billing activity for this client inquiry.

Getting to a tactical use of Generative AI will be an exercise of gathering the right prompts, protecting client confidentiality, and reviewing the results. While we expect much excitement from your team on the capabilities of Generative AI, we are currently erring on the side of caution because of the ownership of the data, and the exposure to the firm IF your team leaks confidential data through a tool like ChatGPT.

If you have not begun using ChatGPT, or the competitors, you can start with a free account to begin understanding the capabilities. As noted in earlier columns, the small fee for a monthly subscription can readily come back in saved time. Once you start to understand how powerful your AI assistant can be, your imagination will be the limit of what Generative AI can do for you.

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