CPA
Practice Advisor

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client expectations.

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By Alan Hartwell.

With the year halfway over and tax season behind us, it's a valuable time for CPAs to evaluate their current technology and review what could make a difference to their firm and client base. Already this year, firms have faced a shortage of staff and an increase in client demands as accountants are expected to do more than ever for clients.

Efficient technology is essential to managing staffing issues and meeting growing client expectations. Saving time on manual processes provides opportunities to

increase your focus on delivering valuable services to your clients and gives your

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Firm Management Association survey showed 63% of firms are using an external cloud provider. CPAs who want to be competitive in the market need to embrace the digitization and scalability cloud technology offers.

Cloud-Based vs. In-House Systems

With proactive measures in place, accounting firms should consider moving away from in-house systems and adopting cloud technology. Cloud-based technology offers real-time data with actionable insights for firm leadership to have a thorough understanding of what's happening in the business. It also provides accountants with the ability to give forward-looking advice rather than just completing year-end filings. These services are vital to provide critical staff with the insights they need quickly to service clients in the best way possible, even as the talent shortage continues.

As remote work continues to remain popular, cloud integration gives mobility to teams without significant infrastructure investments. It can also streamline compliance and tracking by keeping standards and expectations high on the completion of records and accurate invoices. These capabilities would be costly with an in-house system and are appealing for new generations of job seekers who want greater flexibility in the way they work.

Cloud-based systems are also key to safeguarding valuable corporate and customer data. According to a Deloitte Center for Controllership poll, 20.3% of C-suite and other executives reported their organizations' accounting and financial data was targeted by cyber adversaries during the past 12 months. And the average cost of a data breach has reached $4.35 million based on a Harvard Business Review article on the devastating impacts of data breaches. In-house systems can be difficult to scale and can be costly to maintain. Firms without cloud-based technology might not be able to actively dedicate time each day to update security systems, passwords might

not be regularly changed and anti-viral software might not always be updated as it

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appropriately from the beginning and expand with minimal risk. This process also allows you to see the realities the cloud can offer while laying a strong foundation.

Designing security measures from the beginning, such as two-factor authentication (2FA), will make sure all security measures are adopted across the organization and are used when employees access company data. Multi-factor authentication ensures everyone on the team is accessing critical company systems or data points within the cloud without heightened risk for a cybersecurity breach.

As you transition to the cloud, employees should receive cybersecurity training of best practices initially and then at least two or three times per year to keep cybersecurity top of mind. There is no one size fits all approach to cybersecurity training, but training should include document management best practices, phishing and personal data protection. Quarterly random phishing tests from an IT team can test the habits of your team.

Your firm can embrace the cloud and gain all of the valuable flexibility and scalability it has to offer with a planned transition before next tax season arrives. Make sure you work with a cloud partner that will support a smooth transition of your organization over to the cloud with minimal disruption and maximum security. Now is the time to make the switch.

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