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## August 2023

Technologists Randy Johnston and Brian Tankersley, CPA, discuss the 2023 Accounting Firm Operations and Technology Survey (AFOT).

Brian Tankersley • Randy Johnston • Aug. 11, 2023

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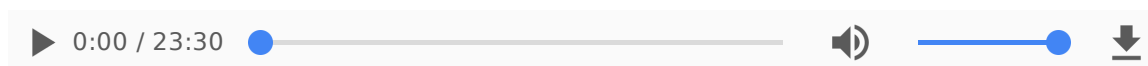
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Technologists Randy Johnston and Brian Tankersley, CPA, discuss the 2023 [Accounting Firm Operations and Technology Survey](#) (AFOT).

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**Transcript** (Note: There may be typos due to transcription errors.)

### SPEAKERS

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and the Rosenberg save array, and so on, so forth, we added a number of questions that were very technology centric. Further, we were surprised that the survey was indicating future purchase decisions to us as much as a year or two years in advance. So what I'll tell you even though I stay very much on top of accounting technology, like Brian does, that what happened was, every year, we learned something new. So, you know, that's a long setup. But I wanted to understand why we wanted to talk about the survey, because the results are notable, every year that we run it. And we have just launched our ninth version of it. So Brian, sorry to take so much of load time on the front end on this podcast. But I know that you do a heck of a lot of the heavy lift here, I'm probably more along as the color commenter and, you know, do a little editing. But you really do a lot of the analysis, the reflection on appropriate questions, you know, all the pivot table and reporting that comes out of the backside and so forth. You've been, you know, the Atlas on this deal through the years.

**Brian F. Tankersley, CPA.CITP, CGMA 01:55**

Well, and what I would say about it, is that it, you know, the what's different is that you and I can look at other industries and technological innovations and things like that and know what's possible. What's different here is that this is this gets inside the head of the practitioners and looks at what they're actually thinking about doing and what they actually want to do. So we actually have a question this year, about which systems are you thinking about replacing, you know, we've seen a, we've seen a huge number of shifts over the eight years that we've run the surveys, you know, including things like remote work coming up in the pandemic, we saw the workflow thing happen. And we saw, we saw that change, change things significantly. At the URL in early days of the of the survey, even though it was just back in about 2013 2014. You know, document management, there were a whole lot more people that just weren't doing document management at that point, the laggards. So it's been really interesting to watch that. And to kind of see many of the changes, you know,

you saw, you saw it for a couple of years after Thompson ended support for creative

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**Randy Johnston 03:59**

Yeah, in fact, your point, Brian, due to this switching appetite on tech software. This week, I have been appalled how many conversations I've had about firms dissatisfied with their current platform, and wanting to switch tech software, not not to mention the rather, we call it an unforced error among us. So we might as well do it on the podcast, with the sheer prep and Wolters Kluwer processed and tax situation which is causing a lot of firms to rethink their strategies. But I've had conversations with firms running every major platform process to tax lists cert pro series Drake, just to name the legacy products, and they're looking for a landing zone for they're looking for a landing zone for their new generation technology. And then the other one, sorry to interrupt you on that. But the other one was in the survey, the 1040 work, pay products, which, you know, I got excited about in 2006. You know, they took a long time to get traction. And when I look at these things, which Greg LaFollette, and I came up with the name scan organized and populate, to talk about 1040 workpaper products, you know, we thought almost all firms would adopt it. But we watched it rise in the A fraud survey, and then it started to tail off, and the adoption rates pretty much stopped, which was predicted by the aphid survey now, I'm just going to disclose I think there's some new 1040 processing coming along, which we'll talk to you about on the technology lab. But Wowzers So Brian, again, I'm sorry to talk over the top. Yeah, we're we're being a little more one way than our normal conversational style today.

**Brian F. Tankersley, CPA.CITP, CGMA 05:49**

Well, let me let me just say first off, that you call it Stan organizing populate my favorite name for that category is still the name of the products that Mark Reiber and created. Box. Yep, bag of crap document imaging program. I still think that, that that's the best name ever. And I miss Mark and his, you know, his, the celebrity he

brought to so many situations and the creative stuff, you know, I hope he's doing

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again that that's what they're doing that survey, and then we open through at least September 1, it may go a little bit later, we'll have to see some of the some of the responses. You know, we're I'd like to get a whole lot of responses this year. So we may hold it open a little bit, but probably September 1 When we close it out this year. You know, one of the other things that we've seen as a mega trend in this is the shift away from on premises servers and toward hosting. And, you know, we thought in 2006 2005 2006, when you know, started working together, we thought that the browser stuff and the cloud stuff would be further along. But it just isn't. And and it's you know, so people are moving more toward this this hosted model where they have, they have basically a Citrix connection that they connect into.

**Randy Johnston 08:06**

Yeah. And you know, with that, in mind, we were lucky early on to have Leslie Garrett involved, who made sure that the survey was statistically valid, and that we had longitudinal data, year over year comparative data. So we've always had comparative charts on this. And you know, Brian, to your point on this hosting phenomenon, we figured that hosting would drop off sooner than it did. And it's really been the slow motion of a lot of the different providers that have forced a little bit more hosting instead of being SAS. But you know, this is one of those things that I tell people publicly, you know, when we, whenever you make predictions, you're gonna have something wrong. And as it turns out, one of my predictions is that we would be mostly software as a service running our browser by 2015. And it just didn't move that fast. And by the way, I first made that call back in 1997. So I thought, okay, 1517 years should be good enough to get there. And here we are, many years later. Now, Brian, I know one of the things that our listeners should understand is we have a variety of topics that are covered. And those topics include barely almost all things related to the survey practice to ensure your practice practice management, technology management, the servers and computer hardware selected. The actual applications that you use in the firm and really have I think every category covered

how remote access internet and telecommunications is done. And then the way

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go into my Twitter account. And I hope you'll do the same, Randy. I'm going to go to my Twitter account now and 10 by the pin to tweet on how to take the survey to the top of my Twitter profile, my Twitter profile is or X, whatever it's called today, is Bf is [twitter.com/vfTCPA](https://twitter.com/vfTCPA). Randy is [twitter.com/rpJohnston](https://twitter.com/rpJohnston). And so that will, again, that will get you to a survey so that you can basically see it. And again, get directly to the link. So again, it's at [bit.ly/afotnine](https://bit.ly/afotnine).

**Randy Johnston 11:04**

Yeah. So now the reason why I had Brian repeat that, and I'm glad that he brought up the change from Twitter to x. But both of us have have a pretty active presence in social media. And we know many of you don't. But I am very thoughtful about the things that I put in Twitter to be only things that I have read that I think are helpful, and in another technology lab will talk to you about how to stay up with the technology. But I'm going to suggest to you that the opportunity to produce this survey has given us insights well above anybody that we encounter. And we are appreciative of the sponsors that have paid our expenses through the year they don't get any special treatment. But vendors like Wolters Kluwer and Thomson Reuters and docket and network management group and others have sponsored us through the years. And again the way we would do it just for the knowledge, but it's nice to get paid for her work that way. Well, maybe

**Brian F. Tankersley, CPA.CITP, CGMA 12:17**

you do it for free. But all that data wrangling Randy to some I gotta get paid for that, I'm sorry. Well,

**Randy Johnston 12:23**

you got to feed the babies and dogs, I get that?



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**Brian F. Tankersley, CPA.CITP, CGMA 12:49**

I think the evolution of remote work and remote access and things like Hosted Voice over IP, you know, I started using posted Voice over IP way back about 2004 ish, 2005 ish. And it has really gotten a lot better. And it's gotten to the point now where for the first time, I'm actually considering getting rid of the handset phone on my desk, you know, I've had a Polly Voice over IP phone, I use Vantage unified out of Philadelphia, for my phone, I hosted Hosted Voice over IP, but I have a local number. So they can do local numbers pretty much anywhere. And it's it's been great for me. But I'm actually considering taking that that phone box off my desk, just like I took the 10 key off my desk, you know, probably 20 years ago. So it's a you know, the more things change, the more they change, the more they stay the same. You know, we're also seeing a great appetite in the profession for artificial intelligence. So we've added some questions about AI. This year, I expect we're gonna see, I expect we're gonna see concerns about privacy crop up, and some some other things like that. But, you know, just generally, I think the profession is strong, and it's going to be going to be strong for many years to come. And you know, the thing is that I think anybody that says that AI is going to replace accounting, I think it's balderdash. I think that accountants that use AI are going to replace accountants that don't use a lot. As we, as we look at this, you know, I think that that, you know, with the exception of the unforced errors, we are, we are making progress. There have been a number of changes that we've seen as a result of some of the private equity, some of the private equity transactions that have happened in the last few years, affecting affecting products affecting the profession. So I don't think things are going to get less expensive by any stretch of the imagination but I think there is a, there is change in the air.

**Randy Johnston 15:04**

Yeah. And you know, I think it's interesting you cite the phone. Because in the week

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probably the best one that I know of is called Microsoft 365 Business Premium. It not only gets you security, things like advanced threat protection and data loss prevention, but really helps with desktop, laptop and mobile phone management. So in the US pricing, that \$22 per user per month is table stakes. But if you go to the high end, the E five product at \$57 per user per month plus the \$30. Co pilot 365 ad now is going to get close to my prediction that Microsoft is going to do everything they can to get you to the \$100 per user per month for Microsoft facility.

**Brian F. Tankersley, CPA.CITP, CGMA 16:41**

Now it's interesting you say that about the \$22 for the E three plan, because that's an office 365 e three

**Randy Johnston 16:48**

action notes. Microsoft 365 Business Premium is the one that I go after.

**Brian F. Tankersley, CPA.CITP, CGMA 16:53**

Okay, cool. Well, yeah, because the copilot I think they're gonna make you do the Microsoft 365 E, but II three, which is 36 a month, if you're on the enterprise side.

**Randy Johnston 17:05**

Yeah, exactly. Brian, so you're hearing it right. In fact, this whole pricing maneuvering? You know, going back to your earlier comment, which I think is spot on, this technology to support your users is not going to get cheaper. And in fact, I know both of us have looked at Azure virtual desktop, which have been pushed by several hosting providers and used by some firms. But I was looking at the dollars related to run in a V d, recently. And the problem is that the cost of running Azure virtual desktop is variable and expensive to the tune that just to give you a flavor of it, it would be very, very common that you would spend at least \$140 a month on

Microsoft hosting alone with no service support. In other words, that's a do it

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numbers just don't pan out. Now, you know, there's other pricing that's going to affect us as well, because it's real clear that QuickBooks Online raised their prices this year, but QuickBooks Desktop pricing, also just went up with Pro Plus going from 549 to 649 a year, and Premiere plus increasing from 799 to 949. So, you know,

**Brian F. Tankersley, CPA.CITP, CGMA 18:51**

we used to buy a perpetual license, it lasted for three years for pro for 299. Not too many years ago, and premiere was 499 A few years ago, so you're paying about 160 a year, we're now going to 649 a year per user and 949 a year. You know, and as we as we look at this, what this really what they're really doing is what I predicted they would do about 10 years ago, is they're just raising price until people switch. And, you know, if you want to pay them and let them make stupid money off of desktop, that's fine. They'll hold their nose and support it. But they are continuing on through here.

**Randy Johnston 19:33**

Yeah. And to your point on that, Brian. You know, I was actually going to cite, I routinely did my perpetual license on QBD for \$180 and thought that was reasonable fair. And now we're talking 949 for Premier Plus it's like really, folks and again, I don't want to live in the past. I'm not trying to do that. But the main point on this is that the price it raises to force switches are in progress. And just like I mentioned earlier about all the tax of swapping, you know, where people are talking to me about what tax platforms to switch. A whole lot of people are asking, I got QuickBooks Desktop or QuickBooks Enterprise, where can I switch that is not QuickBooks Online. And that's a pretty fascinating discussion, because there are some alternatives that we've talked about in other technology labs.

**Brian F. Tankersley, CPA.CITP, CGMA 20:29**



Oh, they're great alternatives. There's fresh books, there's accounting suites, there's,

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investments in that product. And you can integrate that with all kinds of things. And when you compare, when you combine Zoho books, for example, with Soho invoice, there's Zoho invoice spring. So if you got, you know, it's the biggest no brainer in the history of Earth for somebody that runs a self employed lawn service to get on Zoho invoice to do their billing, just so they can, they can keep up with their revenue and use pay as

**Randy Johnston 21:21**

well, you know, with you on Zoho books there, Brian. So, you know, at our plea to you is, please take the survey for free, we'd rather have you get the results. And we'd like to have you contribute your opinion to our results. And, you know, the the [bit.ly/a fought nine length](https://bit.ly/a-fought-nine-length) that Brian and I have pinned in our x feeds, is the place you can get that done. And of course, the publication CPA practice advisor has also published the links as well. So, you know, again, we hope, though, in this conversation about the survey, you've learned a few new technologies that we're watching, and we're so anxious to see this year's results. Ryan, closing thoughts for our listeners,

**Brian F. Tankersley, CPA.CITP, CGMA 22:12**

you know, it's the best time since the worst of times, I think there's I think there's a lot of challenge right now with the private equity transitions that are happening in a lot of the development management at Thomson and cch and a lot of the other products and, you know, as Iris tries to rationalize their product line, so forth. But I think it is the best of times when you look at the opportunities for AI. And the good, I think the AI may be coming right at the time we have this problem with talent, where the AI may just solve the talent problem for us, rather than having to cut out a lot of folks. But what I will say is that, I think that the accountants that use AI are going to replace the accountants that don't use AI. So I think, you know, just stay

tuned and tick the survey so you can get the results and get our hands get our further

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