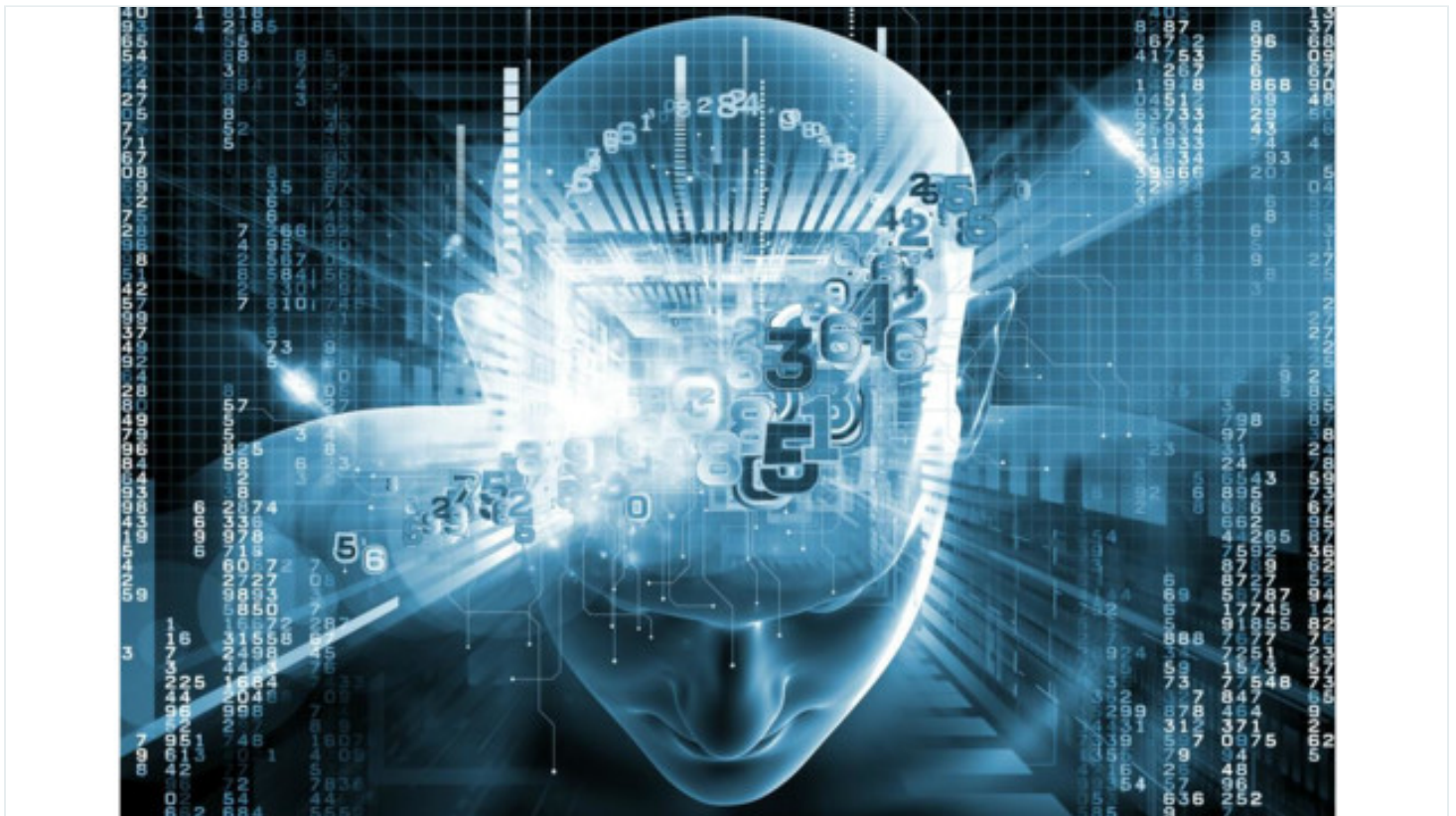


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can lead to frustration.

Randy Johnston • Aug. 16, 2023



A Top Technology Initiative Article.

During a recent CPA firm technology assessment, I repeatedly heard the term software exhaustion. The firm had tried to innovate with lots of tools and platform changes in a short time without a strategic plan in place. The fundamental software changes were good, but the execution? Not so much. We have seen this more frequently this year than in the past.

I understand the pressure to create a better work environment for your team of professionals when finding good talent is so difficult. But tactics without a strategy can lead to frustration. Suppliers of products want to “make your problems go away,”

and many of you are listening and adopting without being thoughtful, making poor

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products, using AI doesn't automatically make things better. Watching some of the AI drivel being created has decidedly taken a turn for the worse. Instead of a thoughtful result based on a strategy that makes sense, reactionary tactics and tools may be making your situation worse. Over the last few years, the profession has had recurring themes, and new verses are just being written.

Those of the recent past include PPP, PPP2, and ERTC (some coming from ERTC mills bordering on fraud). Other themes include single portal products like [Liscio](#), [Suralink](#), and [SmartVault](#). Still, others have tried to address staff shortages, productivity, the required IRS Pub 4557 written information security plan ([WISP](#), [discussed at The Technology Lab](#) podcast)/FTC Safeguard requirement effective July 9, 2023 ([a good course from The Grove](#)), lease accounting changes ([LeaseCrunch](#) or [LeaseQuery](#)), audit realization, Client Account Services, management and advisory reporting like [4ImpactData](#), payments, and more. With many of you billing in advance for services, the FedNow release on July 20, 2023, of same-day ACH can make a difference in your practice and the cash flow of your clients and is likely to impact our payment systems soon. These solutions solve many of the issues we have encountered in our firms.

As I requested in my last few columns, 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 for practical use in your firm. I wanted to thank all of you who have contributed so far.

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 Solutions Makes Practical Sense as an AI Tactic?

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You'll need to consider who gets the licensing, as explained by Tony Redmond in his post "[Deciding Who Gets Microsoft 365 Copilot Licenses](#)." The new Copilot 365 license fees will certainly help Microsoft extract more licensing costs from each individual and your firm, getting much closer to my forecast price of \$100/user/month. But where else can we go as firms when our major publishers only support Excel, Word, and Outlook? While [Zoho One](#) or [Google Workspace](#) can work for our clients, there are more challenges in making these platforms work in our firm.

While a significant number of the AI releases in products are "fake AI" or machine learning, there have been some interesting additions to products to make them more useful. We have seen the extension of [Corvee](#) Tax Planning and [Zoho One](#) with AI earlier this year. We thought the coverage of AI in the most recent [Wolters Kluwer earnings call](#) was insightful on their strategy.

We are most interested in a new tax preparation AI that looks to eliminate both 1040 Workpaper products and the use of outsourced labor. While this platform only supports personal tax initially, we can see AI being extended to do much more. Stay tuned for more information as this platform is released.

For example, in [The Evolution of Data Analytics: 8 Forecasts on the Impact of Generative AI](#), there are tools like [RATH](#) named, which ChatGPT powers. However, any use of ChatGPT/OpenAI feeds their model and could expose your client's data to the greater public. Combining private Generative AI and predictive analytics makes [Digits](#) an interesting offering for reporting for CAS clients by accounting professionals. Co-founder Wayne Chang explains more [here](#) about their Living Model, Digits Reports and Digits Search. Sarah Hamid has listed five tools, including [Docyt](#), [Truwind](#), [Blue Dot](#), [Klarity](#), and [Vic.AI](#), in her column "[Five AI Accounting Software Tools to Consider](#)." The wave of useful AI tools began in the neural

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targeted use of AI to make accountants more effective, too.

So, What Makes Practical Sense as an AI Tactic?

Go back to your strategic plan and choose one key area to improve. For example, if you want to have advisory meetings with your CAS clients using better reporting, look for tools that accomplish that goal. Consider tools with a history of success and new and AI-powered tools. If you want to improve your tax processes, look for tools with a history of success and new and AI-powered tools.

Friends, I know it is hard to keep up with technology, and it is impossible to know everything. I've always tried to write about products I know work as advertised. In today's world, that is getting harder to do. For example, I just used Bing search (which is AI-powered) to ask the question "Tax software that has AI" and was shown two products ([Blue J Tax](#) and [AiTax](#)) that I had never heard of. And both looked like they were worth learning more about.

As we continue our discovery process to deliver the best possible professional accounting services AND to have a work-life balance, keep in mind that you must have a strategy to fit you and your firm and tactics to make that happen. We'll make mistakes, but we can "Pick yourself up, Take a deep breath, Dust yourself off, And start all over again." In the meantime, we'll continue to learn and grow together while providing innovative and useful services to our clients.

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