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especially with the advent of generative AI (i.e. ChatGPT, Bard, LLaMA, etc.) which is having a significant impact on our businesses and personal lives.

**Roman Kepczyk** • Dec. 11, 2023



*By Roman H. Kepczyk, CPA.CITP.*

As we charge through another holiday season and plan for the upcoming busy season, many of us take pause to look back at the events of the last year and plan our successes for 2024. This is the time to update our business plans and strategy, including evaluating the changes in process and tools that will make our firms more efficient and profitable. And no area of the firm's strategy has been more impacted than information technology, especially with the advent of generative AI (i.e.

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to the Office 365 applications that most of us utilize (Teams, Outlook, Excel, Word, etc.) which we predict will be mainstream beginning in 2025.

2. **Future Skilling Formalized:** While I predicted "Learning Prioritization" would be a key strategy for 2023, (I rated it a DRAW for 2023), I will recycle this one for 2024 as I believe the changes brought on by generative AI will be exponential in nature, and firms will need to formalize learning models to be able to comprehend and take advantage of all this change. This includes designating trainers/expertise within the firm to monitor developments, document learned practices, and drive the implementation of new technologies.
3. **Digital Datification:** Firms will make a concerted effort to drive clients to using their digital solutions for document ingress, return delivery, eSignature, etc., or begin dropping them as clients due to the additional effort to manually handle and process physical paper. Expect an increase in the adoption of these tools, particularly standalone "best of breed" applications.
4. **QBD Upheaval:** With Intuit dropping support for QBD and driving away small business users with significant cost increases, the millions of users still on desktop will just "stay and pray" that things will continue working with their legacy versions, and if forced, will consider other products causing upheaval in the small business accounting space.
5. **CAAS AI Adoption Democratized:** While larger CAAS practices rely on experts in machine learning and robotic process automation (RPA) to automate data processes, the integration of generative AI solutions with these tools will make them available to the rest of us "mere mortals." Imagine using text commands like: "Import this credit card data and post it to my general ledger" and it actually writing and running code to do so.
6. **MSP-Security Seriousness:** Generative AI is already being used successfully by the Uber-hacker groups to deliver more lethal phishing and malware. This will result in pushing firms to adopt an external MSP (managed security provider) and

contracting for professional phishing/security training services. I believe the days

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work in a managed, secure, and highly collaborative environment that is

consistent regardless of where the accountant is working, rather than the current mix match of solutions and experiences we see being utilized by firms.

9. **Forensic Analytics Arrive:** Next year's audit teams will see the adoption of forensic analytical tools that will be easier to implement and utilize due to the integration of curated generative AI tools, most likely due to acquisitions by the major software vendors (and possibly CPA.com's Dynamic Audit Solution!)
10. **Administrative Expansion:** While Tax/A&A applications are integrating AI virtual assistant capabilities, they are not available enough for most of us to use this January. Firms will respond by expanding administrative staffing to push down rote work (along with outsourcing) to be able to meet 2024 busy season production requirements which will be confirmed by firm metrics. While not technically "IT" these new employees will be the drivers to adopting the individual digital solutions creating efficiency with firm and client tax production.

Now, to be completely transparent my 2023 predictions were my worst in 18 years (5 wins, 2 losses, 4 draws listed below). So after completing my Top Ten list above, I prompted Bing ChatGPT to generate "the top 10 information technology predictions for accountants to utilize in 2024." Between the two lists, where you see intersections are probably the safer bets, but both you and I will have to wait a year to see how well my "digital assistant" did for us:

1. **Democratized Generative AI:** Generative AI (GenAI) is becoming democratized by the confluence of massively pretrained models, cloud computing, and open source, making these models accessible to workers worldwide.
2. **AI Trust, Risk, and Security Management (AI TRiSM):** The democratization of access to AI has made the need for AI Trust, Risk, and Security Management (TRiSM) even more urgent and clear.
3. **Continuous Threat Exposure Management (CTEM):** This technology will help organizations to continuously identify, assess, and reduce the exposure of known

and unknown security threats.

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Our AI-powered applications use machine learning to provide more intelligent and personalized experiences.

9. **Augmented Connected Workforce:** This trend involves the use of technology to enhance collaboration and productivity in the workforce.
10. **Machine Customers:** This trend involves the use of AI and machine learning to automate customer interactions.

The purpose of these predictions is to plant ideas and technologies that could impact your thinking in the year ahead as you are exposed to variations of the items presented. When overwhelmed with change we tend to freeze and adopt a “this too shall pass” attitude. With change occurring so rapidly, I implore you to “lean in” and allocate time to keep abreast of developments. I also encourage you to review this list again after the busy season, as you-similar to ChatGPT, will have evolved and have a more educated insight.

## **OUCH! Roman's 2023 Predictions “Self-scored with Five WINS, Two LOSSES, and Four DRAWS**

My 2023 predictions were my lamest in almost two decades, which means I was either too aggressive, too hopeful, or all the “change oxygen” was sucked up by Artificial Intelligence! Accounting technology innovation might also have been further stunted by the burnout caused by all the change we had to deal with during the COVID years. However, I want to reiterate that 2024 is NOT the year to coast. I believe the changes we are going to experience in the next 12 months will be exponential, creating a significant gap in the capabilities of modern vs. legacy accounting firms.

### **2023 Accounting Firm Predictions by Roman Kepczyk:**

1. **Outsourcing Bloom:** With staffing continuing to be a significant issue for most accounting firms we anticipate a noticeable acceptance of both offshore and US-

based onshore services as the status quo and a bloom in service providers being

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- management solutions including compliance, customer passwords, multi-factor authentication), and password wallets for identity management through 2023. *(WIN-while some individuals will adopt, looks like this will be the standard for firms in 2024 also)*
4. **Modern Portals Arrive:** Robust featured client portals with dashboards and workflow capabilities that actually make it easier to collaborate with clients will finally arrive from the major accounting software vendors by the end of 2023 to be ready for the 2024 busy season. *(DRAW-SuraLink and SafeSend delivered but the juries still out on the major vendors)*
  5. **Windows 11 Wins:** Adoption of Microsoft's latest operating system will be the standard on all new computers now that the big three (CCH/TR/Intuit) provide support. However, with Windows 10 support not ending until 2025, most firms won't upgrade existing Windows 10 PCs until there is a security reason to have to. *(WIN)*
  6. **Audit Binders on Hold:** While the major accounting vendors will be touting their engagement binder solutions being ready to replace traditional on-premise solutions, 2023 will be another year of "wait and see" pushing any significant adoption to 2024. *(WIN-and probably into 2025)*
  7. **ESG Awareness:** This is the year that Environmental, Social and Governance initiatives get some teeth with auditing standards and guidance being created to expand assurance services. Initially the largest US accounting firms will pave the way but smaller "boutique" firms will evolve. *(DRAW-larger firms are in but not boutique)*
  8. **Blockchain Banking:** Major US banks will stop talking about, and actually pilot, blockchain solutions to facilitate financial transactions of fiat currency. This will open the door to financial auditing of a blockchain in 2024. *(LOSE-aargh-this is still being talked about)*
  9. **Learning Prioritization:** We anticipate there will be a surge in learning and change management solutions to help firms adapt more effectively to the constant

onslaught of new techs and processes. This will include hiring of outside

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