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Recap - Dec 2023

Technologists Randy Johnston and Brian Tankersley, CPA, discuss technologies presented at the Intuit QuickBooks Connect user conference.

Brian Tankersley • Randy Johnston • Dec. 20, 2023

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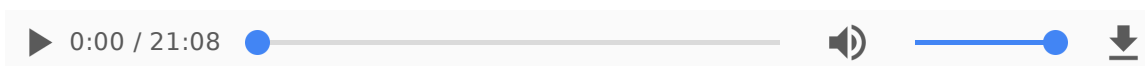
Featuring
Randy Johnston & Brian Tankersley

CPA
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Technologists Randy Johnston and Brian Tankersley, CPA, discuss technologies presented at the Intuit QuickBooks Connect user conference.

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

SPEAKERS

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become a little bit more of a fun fun sales event, which I'm not a fan of, I like facts when I attend my CPE. But I don't mind having a good time. However, Intuit has made several different announcements at the event of QB connect, and with subsequent email announcements as well. So you know, when you think about the opening event, holding a big crowd outside and you know, kind of crowd and everybody together and forcing you through, you know, a blue Manish like drum line, to go through intuitive employees applauding for you, that's all very motivational if you're, you know, dyed in the wool green into it. And again, I like things like that. But, you know, we have three major things to talk to you about today, the things that are new at at Intuit, which of course, includes the Qbo enhancements, and you know, how they're going to scale up their payroll, but also their Gen AI, financial assistant number one, number two, the changes in the pro advisor program into it is doing their best to spin that positively. But that's not what I'm hearing on the streets from a pro advisor acceptance level, and the new announcements that were made, announcing the end of desktop products, including the end of desktop Pro Plus premiere plus, the Mac Plus and the desktop enhanced payroll, effective July 31 2024. So if you've got your practice based or clients based on desktop products, you got a problem coming as I would see it, unless we keep the renewals in place. Now, again, I don't want to jump the gun. But Brian, you kind of get the tone of this. So you know, from a QB connect announcement perspective, there actually were some very interesting QBO enhancements that are included. So do you want to cover those first? Sure. So

Brian F. Tankersley, CPA.CITP, CGMA 02:21

So there were some, you know, first off, as we're, as we're looking at the the enhancements, everything they're talking about now is QBO. Because they, as we learned subsequently, they're they're discontinuing the new sales of all the QuickBooks Desktop products, except for enterprise, which is something we've expected for a number of years. Anyway, but they they, as they're talking about the

Qbo enhancements, they've added some Chart of Account templates and tools for

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tracking and other advisory services much harder than they have in the past. So with QBO, advanced, they added fixed assets, revenue recognition, estimates versus actuals, bulk upload and edit, they've added support for Google Sheets, QuickBooks payroll is now now available through workforce and employee Document Center. There's a there's Job Costing with multiple classes and splitting allocation. And again, I would just go back here and say, for Job Costing, I think it's really job reporting for benefits, they have health and retirement. So they're trying to get into the insurance business. They've added some additional role based permissions in here. You also can map the payroll to the chart of accounts with some other things here. There's some better migration tools they've added. And there's also a new product called QuickBooks ledger, which really formats Quickbooks online data for tax returns sync. Okay, yeah.

Randy Johnston 04:32

And you know, on a couple of your points there, QuickBooks ledger, by the way, doesn't seem to work very well. It's got a lot of bugs in it. So we're just going to warn you to be aware of that. And, of course, the Qbo look and feels a lot more like QBD as it turns out in this new environment. So I think they're trying to soften the blow of the migration. But Brian, I think you've said for three years at this point that you know, into it, continue used to push to more, you know, non bank services, if you will. And when we talk about the pro advisor program and some of the other changes in licensing, you can see that they're pushing their MailChimp pieces harder, for example, but you know, everybody had to talk about AI at their conferences. And of course, AI was certainly covered by into it with their Gen AI financial assistant. It's designed to answer questions to help small businesses understand their data, provide some insights and recommendations. It automates some tasks that hopefully does save some time. And it also provides more comprehensive analytics to help clients know and manage their business. So, you know, they're trying to make sure that a lot of these third party reporting tools, the digits, for example, you know, aren't going to

get too far inside the market share and into it's done a pretty good job of adding

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But, you know, the bottom line here is there's more and more changes in that were announced at QB connect, but some of the biggest ones that would have maybe caused upset, didn't get announced there. But one that was was the changes inside the pro advisor program. So Brian, I know, well, just for the record, I can remember the day I sketched the pro advisor program on a whiteboard in Mountain View. So I'm the designer of the original code advisor program. And, you know, we laid out what was supposed to be in and, and I thought the product or the program started off well. And of course, we wrote some of the initial training materials and so forth. So I've been around ProAdvisor program since day one. And you know, there's the PR around, this is basically saying, Look, you know, the old program was what it was, we got some great new things in here. So I don't know how you'd like to take this one, Brian. So this all goes into effect February 18, of 24.

Brian F. Tankersley, CPA.CITP, CGMA 07:56

You know, I think generally, one of the things that this strategic, this is really a strategic shift. What's happening here is that Intuit has already said in their public stuff, that outside the US, they will lead their small business approach with MailChimp. And so that's, that's not incredibly surprising here. What's really happening here is they're really trying to refocus the, the pro advisor program instead of on the student being centered on the bookkeeping, they're trying to center on, they're trying to center on all the ancillary services. So it seems like it's less of a less of a program to encourage bookkeeping than it is a sales program. You know, and that's, that's borne out by some of the traffic I've seen on on Facebook groups, and in social media and other places like that. I've actually seen people like Hector Garcia actually observed that he was going to lose his elite status as a pro advisor. Because he wasn't he I perceived that he wasn't selling enough of their products. They've also come through and they've tried to take over the bill pay process. So they're kind of I think they're trying to move some of that it seems like away from Milio. So it's a it's interesting how they've set up their new their new bill pay over here.

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is free. And if you want an instant payment, then you can pay a charge of up to \$10. But only if you want the instant payment, well, compared to a lot of bank offerings. That forwardly changes the ballgame compared to your typical QuickBooks pay or Milio, or others. So, Brian, I think you're right in terms of the shift of the payments, because, you know, into it once, like many, many vendors besides into it want a cut of the exchange rate, or the discount rate on credit cards and other payment systems. So the payment rail vendors have something very interesting to deal with in 2024 and beyond with fit now. But I'm off the topic of pro advisor. Any other key things on fro advisor Brian,

Brian F. Tankersley, CPA.CITP, CGMA 11:08

the one major thing here is that the accountant premium phone and chat support is not a fait accompli anymore for people that have passed the pro advisor exam. And that's a you know, so you are going to have to you're going to have to get you have to have 500 points. And so if you take, if you have a QuickBooks online certification, that's 100 points, if you get if you get sales, and I'm going to call these sales certifications, because most of them are sales certifications. If you take all the available, all the available, all the available certifications, you get 300 points, you then have to sell some product in order to in order to get to the accountants support level. So that means that if you're not doing Kaz, but you do tax, and you have clients on QuickBooks, and you need to solve some QuickBooks problems, guess what they they want you to sell, or you're going to be in the regular in the regular support, where you start talking about regular things that accountants talk about, like general Ledger's and trial balances and other things like that. And the person on the other end of the phones is not going to be one of those folks that's trained to work with accounting professionals. So it's a, you know, again, it's a pretty significant shift here. But But again, I think you have to see this in the background here where Intuit is trying to become more of a financial services company and a financial data

company, and an AI company and less of an accounting platform company. Okay,

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so I appreciate you kind of thinking about that for our listeners, Brian, because the requirements now to get the gold tier or the premium Customer Care. And I'll say it a little more bluntly, you know, trained accountant support people in Tucson, seem to be a lot better to speak to than the, you know, Indian offshore support that you typically get with Intuit.

Brian F. Tankersley, CPA.CITP, CGMA 13:36

And that's an understatement. And very diplomatically. While you're saying that,

Randy Johnston 13:40

well, thank you, because I really don't want litigation anyway. But I'm trying to be factual in what we're telling you on this. And since that's only available for gold tier, notice Brian's laid out, you have to not only do the training, and it used to be if you were a pro advisor, and yet two pro advisors in your firm, you got the premium sport. And now you have to have all the training and sales goals met. So you know, there there are improvements in into its Pro Connect tax online, which we've been proponents of and their tax advisor, their tax planning product is interesting, but it is clear with subsequent announcements on MailChimp and others that you're going to see some real changes here. So it turns out that there are three articles if you did not see the announcements in email that arrived on November 21. You should look at that in some detail. There are three supporting articles that were linked in the reimagined pro advisor program, which was written by Jim December I'm not sure I've said his last name, right? A frequently asked questions written by the same author. And then of course, the coverage of how Intuit loves firms and pro advisors and you know, different items on that. Now, you know, We tried to cover more or less single topics in tech lab with you. And this was really focused around QB Connect. But subsequent to the event was another significant announcement, we may even record additional content in this because it is such a big deal. And it will occur over

time. But on November 30, Intuit announced that they were changing their desktop

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use enterprise to work around database issues and so forth so, you know, Brian, I probably gone longer than I should on this, but what would you like our listeners to know about the desktop discontinuance?

Brian F. Tankersley, CPA.CITP, CGMA 16:31

You know, I think the I think it's it's something that we've expected for a while. One thing that I find find quite interesting here is they say if you have clients on non subscription versions of QuickBooks, desktop, pro premier Mac that wish to remain on desktop, we recommend that they purchase a QuickBooks Desktop Pro Plus Premier Plus or Mac Plus subscription to our sales team before July 31 2024. So this says this tells me that it's their intent to shut the door completely on new sales of desktop at that time. And that's going to affect a lot of small businesses. You know, there are a lot of small businesses, maybe that run rental property or other things like that, where they don't really have payroll, they don't really use the bank feeds much because they don't have many transactions. And you've observed earlier that there is a kill switch that's been put in in some of the things for to support updates, and, and things like that with some of the QuickBooks Desktop updates, you know, but the problem is going to be here is that if you if these people try to stay on those old versions of desktop, I think it is, I'm not gonna say likely, but I'm gonna say it's at least possible that Intuit would trigger those kill switches, and then you suddenly have to switch. And you could be in a real pickle. So I want you to, I want you to think about that, simply because I think this is, you know, this is a existential threat. I think at this point, if you have clients on QuickBooks Desktop, you have to start having discussions with them about to transition on to something else, and that something else might be enterprise. But as Randy said, the cost on enterprise is not inexpensive, by any stretch of the imagination. Or it may be, you know, it may be Zoho books, it may be it may be zero, it may be, you know, it may be a number of other things.

Randy Johnston 18:26

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Okay. And, you know, I'm, I'm excited to have that inventory.

Randy Johnston 18:57

Yeah, so another part of the announcement was the increase in desktop payroll, direct deposits to \$4 each. So that starts on January 8 of 2024. But, you know, this whole desktop priced, discontinued price, we'll call it discontinuation and pricing strategies and sales strategies, you need to give this some real careful thought would be our positioning now. We will come back in a future technology lab and we will talk about some of the issues, you know, because as Brian correctly pointed out, we see the promise of some of these platforms for example, like the QuickBooks ledger, I see how that can work. But you know, it turns out that, you know, this tax return syncing for you know, trial balances, you can do that on other products like Telly for today and you can use it across multiple platforms and you can feed it out to many text products, including Canadian text products with Telly for so, you know, I just kind of Watch all this stuff and say this is all very interesting. They're very successful organization. I've got lots of friends insight into it. They've done a lot for a lot of businesses. But times are changing. So Brian parting thoughts for our listeners today?

Brian F. Tankersley, CPA.CITP, CGMA 20:14

You know, if I were to put this in a context, as my wife does often have Sex in the City phrase, it would be, you know, in sometimes you hear when people break up, it's not me, it's you. Or it's not you. It's me. In this case, it's not you, it's them, okay? They've made strategic changes, they've decided they want to change their priorities. And God bless him, you know, they're like, they're gonna live their lives and be happy and we hope you'll live your life and be happy and find something that makes you happy. So anyway, that's all I'm gonna say about that.

Randy Johnston 20:46

Brian, I can't top that. So all I can say is good day. Thanks for being with this. We'll

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