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new products they expect to see in the coming year.

Brian Tankersley • Randy Johnston • Dec. 29, 2023

**ACCOUNTING  
TECHNOLOGY LAB**

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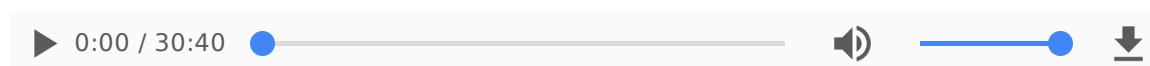
Featuring  
**Randy Johnston & Brian Tankersley**

CPA  
Practice **Advisor**

**LISTEN NOW** -▶

Randy Johnston and Brian Tankersley, CPA, talk about the technology changes and new products they expect to see in the coming year.

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

## SPEAKERS

Randy Johnston, Brian F. Tankersley, CPA.CITP, CGMA.

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you've missed them. And we were also thinking forward if some of the technology labs will produce for you in the coming weeks and months. And of course, Brian and I will spend time at CES and talk about new technologies there. But there's so many technologies that I watch and want to talk about with you. But we just don't do it in the technology lab, for example, the new deployment in Michigan of power chargers under the streets, and that's being done in Germany and Sweden and lots of other places. And it's like, well, that would make driving on roads with electric cars a lot easier. That type of thing. But, you know, this is about the way we can use technology in a county. And Brian, I know there's lots of topics that you and I've talked about. So how about if you lead us today, through things that are on your mind? And I'll provide color where I think it's appropriate?

**Brian F. Tankersley, CPA.CITP, CGMA 01:26**

Folks? I think you No, I don't know that. I think one of the major shots over the bow that happened here in late 2023, is the impending cancellation of new sales of QuickBooks Desktop. I think in general, the the providers are going to start trying to force you on to cloud applications much more rapidly, you know, from from the stuff I've seen in the CPA firm survey and other places like that, it looks like a lot of the big firms have already switched to the CCH access platform. That I think honestly, you know, I think we've got a lot of change happening right now. But I think in general, a lot of our legacy products, most of which were originally written prior to the year 2000, believe it or not, you know, do you think that there's a finite number of CPA firm applications that actually were first written before 2000s, or the streets up first, first written after 2000. And so I think, I think in general, we're gonna see cloud cloud acceleration. And I think desktop, they may not be in hospice yet. But I think by the end of the year, desktop is going to be in some kind of hospice situation, where in the intermediate term, I think you're going to have to be thinking about making shifts away from those desktop platforms. And I don't know what that looks like, you

know, if you're in the Intuit stack, you have, or the CCH deck, you have a pretty clear

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Yeah. So you know, knowing that that's kind of what's evolving. I will have to admit, I've been wrong. And I'm happy to say I'm wrong. I thought we would have almost all software as a service applications by the time we got to 2015. Well, you know, it's 2024 and effect. It's like nine years I've just a decade off, and, you know, is it going to happen sooner, I don't know. But if you take that into a QuickBooks Desktop discontinuance even with the sun setting, it means all of the Intuit QuickBooks Desktop products except enterprise would be gone by 2027. And of course, we see the trends of like Intuit one to push the cert into Pro Connect. And, of course, we've seen the transition from prosystem tax into excess tax and so forth. So the vendors understand the distribution models being more upgradable, potentially, of features easier to add greater security controls, and so forth. But as a consumer of these different products, we also have a risk when systems are not available. And of course, we're falling into vendors, recurring revenue models, and whether you're a public company wanting to get quarterly statements out or you're owned by private equity. You have a lot of financial pressure as software providers, and the percentage of independently owned applications has declined well below 10%. I should run the numbers with you Brian. But the culture of so many organizations is changed on acquisition in the last two years, but even accelerated in the past year, that I'm really concerned about that. So I do think we're going to see a lot more of slowed down development, because of lack of investment in these platforms, continued decline in support. And, you know, just in general, less innovation, and that's sad for somebody like you and I, that have enjoyed watching and helping with innovation in technology. For accounting for decades,

**Brian F. Tankersley, CPA.CITP, CGMA 05:41**

I think what's really happening now is that we've got, we've got a lot of people that are that have been predicting that AI was going to be the death of accounting, and

the more we look at, the more we look at AI, the more we realize that it's not going to

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...every, every, and every minute is going to be a little bit easier to  
plan looks like. And it's going to be easier to do it to it's going to be easier to rip that band aid off today than it will be tomorrow. And it'll be easier today, easier tomorrow than it will be next year. And so it's it's one of those things you have to kind of get into, and that means you're going to have to mess with your own retirement plans. And that's going to move your cheese and make you uncomfortable. But I think you have to deal with the economic reality that you can't is that you can't continue practicing, like it's 1985 in 2023, and expect the economics to work out for you. Yeah,

**Randy Johnston** 07:17

and, you know, I'm a fan, Brian, you know, this of, of local firms and local partner ownership and, you know, being close to the clients, and also a big fan of relationships in accounting. And I have been concerned as some firms have turned to transactional models and walked away from the relationships. That's a, that's a real concern. And again, I'm trying to understand culturally, why that's happening, particularly when the opportunity in advisory is so great, which is a relationship deal. And, you know, there's a lot of consultants to the profession teaching fake advisory. And there's such a few providers have so few CPA firms that really understand advisory, just like we didn't see much understanding of client accounting services 20 years ago, you know, there's a lot more understanding of today, but firms are still actually struggling to get their businesses converted to client accounting services cast, if you will. But I think that also has risk of being commoditized. And if I had to, you know, lay out something for you to think about the issue of commoditization in tax, and in Kaz is pretty real, I think it's going to be harder to commoditize audit. And I think it's harder to commoditize advisory, but I may be wrong on those things. But I'm just thinking about how you can leverage tools, and what has to get done in our various services. And you know, how we leverage our people effectively and keep them engaged, and so forth. But you know, your whole

thinking about outsourcing continuing to be big, I think it will be, but we've got a

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change the way they work. And to change the processes that they have that word the same when their parents were partners with the firm or their parents were clients. So that firm, and you know, that's a that's a hard thing to do, because there's a lot of emotional investment. have that, but I'll be honest with you, you know, the fact that something burned you for tax season 1997 may not be nearly as relevant as the NCAA you do it that way, you know, 26 years on it may not be as relevant. So we have to confront the reality that we may have a predisposed bias toward, toward doing things the same way. When and not and ignoring how broken our processes are compared to the rest of the market and the rest of the world. In a world of Amazon, and, and, and right being clouded. And all these other things, and real time information. And the fact is that financial statements 10 days after the end of the month as the primary business information is dead is Elvis and Santa Claus and the Easter Bunny combined.

**Randy Johnston 10:51**

Yeah. So you know, just thinking about tipping points. Because as we think about technologies, we came from many computers down into PCs and backup through networks. And networking being a big tipping point, and Windows graphical interface has been a big tipping point. You know, we've watched the tipping point, and one of those tipping points might be the cloud. But you know, at this point, Cloud is almost assumed. But another major tipping point of the past two years has been artificial intelligence. And there's still an awful lot of confusion around AI deployment with privacy and hallucinations, which we talked about in other technology labs. We are watching the decline of AI usage, you know, as we recording this session with for you today. But that's just I think, you know, like the adoption curve, kind of the trough of disillusionment, play going on. There's wonderful things to do with AI. But we're also watching license agreements where data is being consumed by these AI models. In fact, you know, Brian, and I routinely review these



tools and platforms. And I actually was looking at one before we recorded this

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everybody you can imagine there. Okay. And that's something that that I think honestly, you know, I'm just going to say here that I think in general, we live in a in an era of digital robber barons, okay, very similar to the robber barons of the 19th century in the railroad in the mid 19th century in the railroads, which morphed into the steel robber barons we had in the early in the 20th and early 20th century, you know, I think that, that is a, that is a reality here, with with what we have. And so we have to be very careful that our that we don't allow our data to get pimped out by some of these data robber, digital robber barons out there, you know, and I think the opportunities are going to continue to increase for this to happen. I hope we get some legislative relief on this front, to try to enforce something in a GDPR style, you know, privacy privacy regime here. But unfortunately, when we looked at GDPR, it's actually given an advantage to the big companies instead of the startups, simply because they're the only ones that can do the compliance that's required with it. So I don't know if the heavy handed approach is going to get us where we need to go. But we've got to get somewhere where where we're not living in a surveillance society through these data plays that the cloud providers have, and I don't know, I don't know how that happens. But I think it from a, from a what needs to happen in the world. According to Brian, it's one of those things that absolutely needs to happen. Now, the question is whether or not it will happen, I don't know. Yeah, and

**Randy Johnston 14:26**

it's interesting, you bring up the surveillance society because obviously with the emerging technology courses that we wrote, six, seven years ago, we were talking about plays like clear view as an example. But it is also fascinating to me to see what's happened with some of the surveillance items as of late. And, you know, in this particular case, what probably triggered that Brian is something that you know, I've I've looked at for a long time. time, the time best inventions of 2023. And of course, on the time list this year was the bird buddy that have you and I have at this point,

but also lots of other interesting technologies like Thunderbolt five are listed there.

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the air. But you got sky dweller, a new drone that doesn't have to land to recharge. And of course, on November 1, the Congress introduced a bill to prohibit buying drones from the Chinese supplier of DJI, and you and I both know, that's the dominant drone provider in the world. But we can go even further, because at this point, there's 200 firms sell his space imagery, including SpaceX, and that black sky can image every spot on the Earth every hour. So there's a lot of, quote, surveillance video stuff that's going on, that is a concern to me. But, you know, coming back to this digital robber baron type of approach, it is also real clear that the data that's been accumulated as a data play, the PE firms that are buying into these different platforms, are monetizing this client data. And using it in ways that if you really read the license agreements, you'd probably be a lot less interested in. But you know, this sounds kind of negative, there's some really interesting things that are good, that are coming up. And among those I think are, are easier integrations, and the evolution of the robotic process automation, and the tools like Power automate, and others. So what do you see happening in those areas? Brian?

**Brian F. Tankersley, CPA.CITP, CGMA 17:43**

Well, I'm quite excited about that, I think it's gonna become easier to do integrations in 2024, I think you're gonna see robotic process automation, show up more prevalently in mid market, and even in small businesses, as the low code, no code stuff comes through. You know, I think in general, we're gonna see, we're gonna see more and more, more and more automation take hold, which is what needs to happen in the profession. You know, we're, we're a profession that is that has timeless values and timeless skills that seems to be stuck in in a 20th century technology model. And we've got to really, we've got to really change up some of those things. And honestly, I think we have to look in the mirror and decide what we want 21st century accounting to look like as a profession. And I think that part of the challenge here is that I think I think in general, part of the challenge we have is that

the accounting accounting professors want to talk about technical pronouncements

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Yeah, well, you know, we have the pleasure here, the technology lab of reviewing a lot of products, and we usually try to do a single product focus in any lab. But every once in a while we do these kind of overviews for you. And what I was probably the one that said this might be a time for us to think about products that we've seen that have been introduced in the past year or so that are interesting. We've probably done a technology lab on many of these but not necessarily all and we know of products coming that are equally interesting. So, you know, if I had to just pick one of the most interesting products that, you know, got introduced on November 7 was the black or Tex autopilot platform, which basically can pretty much prepare a tax return from documentation, and gives a partner reviewable return out at the other end. And that eliminates the need for a lot of the 1040 workpaper products like shirt prep and CC scan and auto flow and companion grant works and eliminates the need for outsourcing. So it's a good example of tax labor that you just don't have to get if you use the automation and the pricing per return. Very attractive, lower than sure prep. And as a matter of fact, in the quotes that I've seen. So, you know, that's a great example of an innovation that you may or may not have looked at, you know, another a product that, you know, certainly hit my radar was the Stanford tax. You know, we've been focused on single portals for two, three years, I suspect, Brian, but the whole document gathering process is so painful Stanford tax has really worked out pretty well. Do you have other products that you think are kind of the best products of the past year?

**Brian F. Tankersley, CPA.CITP, CGMA 21:22**

Well, I think liscio is doing great things that single portal, their addition of, of tax organizers, and of business texting, and their unification of all of these, all of these streams of data, I think is a is a game changer. You know, I, I would say that, you know, just generally, I think that most of our firms that are using first generation or



second generation portals, it's time to make a shift. And that's a hard shift to make,

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coming to the customer, you mentioned some other applications that we talked about earlier. Which ones of those do you would you like? Which other ones would you like to call out? Randy?

**Randy Johnston 22:46**

Yeah. So I think it's interesting when you start thinking about single portals like liscio and smart ball with their dock down feature, which we have separate technology labs on those. There's some other I'll call it outlier type of tools that are interesting. I think a New Generation E signature tool called ver Docs is really making great progress integrated with power automate, and teams and other things in the Microsoft platform and being incorporated in many CPA firm facing tools as an OEM product. Or we can take something like that we integrate folks out of New York that have built a Shopify to QBO integration tool, just a simple little tool, you know, they compete with other vendors, like Senator who have nice tools in that category. You know, a very nice engagement letter tool Nullah, I think has done a good job. And yeah, and you know, when you just think about what problems are we trying to solve in the firms, I kind of vote for that. And then maybe I'll just close up with a very simple call out. And again, remember, we've covered many of these in separate Technology Labs, but the tele for product for trial balance, you know, has recently added two Tech's integrations in Canada, they've got a lot of the unpacked, most of the US tax products covered most of the accounting software products covered. You know, as we think about the evolution in Zoho practice product, and the integrations that are available in Zoho books, we'll see some more changes in that in the coming year. So it's a bit of a rant that way, but I do believe that if you have specific issues to solve in your firm, there are tools that can do that. But I would give if you just this little caution, less is more. Good enough. Getting more and more tools doesn't necessarily solve the problem. Looking at what you need, and picking the right platforms maybe is it so

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online, the desktop pro premier platform is not going to be available for sale at any price after July 31 2024. I think that really is blows up a lot of a lot of workflows that we have inside of our clients and inside of our firms. And I think that's one of the things that has to be front of mind for every practitioner is you need to see if somebody is on that platform. And if they are, you need to start talking to them about what platform are they going to adopt when that platform dies, so that they're not forced into a decision three years hence, because you didn't talk to him about it. They didn't think about?

**Randy Johnston 26:15**

Yeah, well, you know, I was just as you were saying that I was thinking about the beneficial ownership interest to boi regulation coming. And you know, you think about here, we just got through all the pandemic, you know, years, which were so heavy with all that regulatory stuff. And we actually had somewhat of a normal year. And now we're going to have to deal with our clients on QuickBooks Desktop and boi and so forth. But I'm going to answer your question in a slightly different way. I think that the most important decisions are going to be around how you build relationships in the long term, as your team rolls over, you're going to have partners retiring, and new practitioners coming up. And to me, the best way to get there is with non commodity services, which means advisory, but you're going to have a lot of vendors trying to sell you fake advisory items. And you got to be thoughtful about what type of diet advisory services are you going to provide. I looked at my list on that, Brian, in the last week or so. And I'm now up to about 125 advisory services. Now you didn't hear Randy say you got to provide them all. But you got to be thoughtful about which ones make sense to you. And you know, some of you are doing tax planning, but all you're really doing is quarterly payment estimates as opposed to really doing tax planning, with, you know, a product like let's say Corp v. And, of course, you know, Corp V has done a Consumer Direct type of product, which

is kind of an interesting play here recently, but, you know, what is your advisory

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drag, take our attention away from it. But I think honestly, we're very blessed in this country. And I think we need to be thankful for it. But I think we also need to challenge ourselves to make the necessary changes that we need to get to where we are to get to where we need to be three years, five years, 10 years, hence, if we want to get if we want our firms to continue to be around. And that's the thing that I think we've got to do here, we've got to really get out of firefighting, we've got to get into going through and and building building a machine that, you know, we're we're managing this and we're we're making recruiting value for our clients of the current clients and future clients. And if we don't do that, there's nothing's gonna say this. Yeah,

**Randy Johnston 29:25**

understood. And you know, we are very fortunate. So I would just to, you know, sign off with our listeners for this session, just say, Look, we are going to continue to watch what we hope is in your best interest, and we just want you to be able to do what's best for you and your clients and recognize that opportunities abound. There are efforts being done to sell you on ideas that I don't think play in your long term best interest. So you know, the old buyer beware, just make sure you're Thinking about your own plan where you're trying to take things and that you're executing in the best interest of the partners, the team members and the clients. And I think you'll do wonderful things for the economy of the country and for yourselves. So, in any case, we want to just give you kind of a, here's what we sees happening. Here's what we think's coming down, and we'll look forward to talking with you in another technology lab.

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