

# What is Keeping Most Practices Up at Night?

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After 600 years of a two-ledger bookkeeping practice and 30 years of Excel spreadsheets, practices are moving quickly toward the use of automation to account for daily transactions. This seismic shift will not only impact the way business operates, but also the day-to-day role of accountants.

While attracting new clients, keeping pace with new regulations and standards, and coping with rising costs have been perennial issues for small to medium-sized practices (SMPs), the IFAC [Global SMP Survey](#) highlighted new, emerging challenges on the horizon. After polling the more than 5,000 SMPs across 164 countries, we found that more than half view technological developments as having a high impact on their business in the next five years.

Technology and digital developments have emerged as areas of concern for practices of all sizes and the human aspect also revealed itself, with nearly half of the practitioners reporting issues finding qualified talent. Now, more than ever, we need to ask ourselves what skills SMPs will need to maintain their role as advisory, consulting, and assurance providers to small businesses and growing entrepreneurs.

## “Robo-accountants” and Changing Technologies

By the time new recruits to the accounting profession mature in their careers, evolving technologies, such as artificial intelligence (AI) and blockchain, could make businesses' current ledger practices obsolete. Moreover, as automation and AI increasingly play a greater part in businesses' operations, the profession will also need to move toward a tech-enabled practice.

To get you started:

- **Adapt the way you are currently doing things** to make room for AI and data analytics tools. Nothing will prevent new technologies from disrupting the professional services space, so realizing how to hone these technologies instead of ignoring them will put your firm ahead of the game.
- **Identify hardware and software solutions and tools** that are best for your practice before investing in and adopting them.

- **Make managing privacy and security risks** – which 36 percent of SMPs reported was a challenge – a key business priority. Doing so will add to your firm’s reputation as a trusted and secure advisor.

### **Highlight Change to Attract New Talent**

In-demand accountants are the ones who are not only technical experts but also flexible and can work as an advisor to clients. According to our findings:

- Forty-five percent of SMPs report adapting to new client needs as a high priority in the next five years.
- Nearly 50 percent of respondents already assist clients with services, such as valuations, financing, business planning, and risk management.
- One-third report finding employees with soft skills, such as communication and leadership skills, to be something they specifically struggle with.

With technology shifts, we anticipate that accountants will need to understand big data and analytics around nonfinancial information, introducing needed critical thinking into the mix. These new skills might be more important than preparing spreadsheets or calculating traditional performance metrics. Fundamental accounting skills can be learned on the job through apprenticeships, but adaptability is a prerequisite trait and one that SMPs should look for.

To get you started:

- Educate your workforce by emphasizing strategic thinking, big data and analytics to stay relevant, and communication skills to help clients navigate results.
- Don’t just look for qualified talent at all levels; think about how you will retain them. This is where implementing training and career development, such as offering opportunities for staff to specialize in advisory services or regulated industries that offer room for further growth, is crucial.
- Look beyond traditional skills your team needs and explore opportunities to work in tech-enabled environments, including drawing on the talent of your younger professionals to assist with digital marketing strategies and software implementation projects.

### **Mastering a Balancing Act**

Businesses will always need someone to translate financial information into smart, tailored advice. The SMP of the future is the professional who can anticipate change and represents the best of the next generation of talent to deliver quality.

Young people are motivated by the ability to see their impact and the idea of working for a higher purpose; therefore, showcasing the seismic changes shaking up the accounting profession – inviting new accountants to shape the future – can be a major draw for new recruits.

It's a balancing act and accountants who are quick to adapt can continue to expand their careers. So, as firms look to pull in the next generation of accountants, don't be afraid to give them the push they need to account for the changing environment, because the future of accountancy belongs to those who are excited to continue changing it.

### **About the author**



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Sylvia Tsen is executive director of the International Federation of Accountants (IFAC) where over the course of more than 12 years she has addressed issues and opportunities facing IFAC's members...