

WHAT ACCOUNTANTS COULD DO NEXT



**A conversation with
Jason Appel, Partner, Head of Property, BKL
(Berg Kaprow Lewis LLP)**

Extract from a book commissioned by:



Powerful Accounting Software

Introduction

If technology has resulted in arm's length commodification of services, is it also providing the accountancy profession an opportunity to develop a closer relationship with the client?

A book commissioned by iplicit, to be published by DECISION magazine, looks at how IT has a role in enabling a practice to add value, whether in fact technology can assist the migration to providing a more advisory role and service to the client.

This is one of the papers to be included.



Changing the sense of purpose

- **How is an accountancy practice able to provide added value to the client in service areas which are becoming more commodified and price driven? Can technology assist the migration to providing a more advisory role and service to the client?**

Jason Appel, Partner, Head of Property, BKL: “What has been happening is that systems have become easier to deploy, so users don’t need as much knowledge as they would have in the past; they place more reliance on the technology to deliver accurate data. Having live data means that an accountancy firm has to change the purpose of what it wants its people to do, which should be to interpret and understand data, to provide insight for the client.

“This couldn’t be more removed from the traditional end of year focus. Now it’s about providing advice from live data so that clients can make meaningful real-time decisions. If you think about it, how ridiculous is it to be making decisions about the future of a business from figures which could be nine months out of date?





Jason Appel

“Technology means an accountancy firm can add value throughout the year rather than having one or two touch points with the client over that time usually relating to the audit.

“The Holy Grail of the mid-tier practice is to get all the data pools together, so everything from book-keeping to personal tax requires the data to have only been entered the once.”

• Can technology assist the migration to providing a more advisory role and service to the client?

Jason Appel: “Technology is driving that, and if the traditional, transaction-based accountancy firm isn’t on board it’s hard to



see how they will have a future. New practices are setting up with technology at the very core, as the enabler, without the burden of legacy systems or thinking.

“A simple example of how technology is making a difference. An SME would have been able to identify their best clients in terms of sales or even margin, but a data driven approach means they can understand precisely why those particular businesses are most valuable to them.

“Data in itself won’t give you specific answers but it means you should be better able to identify what the question is which needs to be addressed. An adviser can’t tell the clients how they should be running their business, but they can point to what they might want to address.

“It’s also necessary to identify how to get on the right technology wavelength with the client. I remember an accountant who chased a signature on a document which they had put in the post only to be told by the client that nothing can come through on their smartphone.”

• Is there a risk that the actual functionality of accounting software is becoming commodified and that ironically companies are getting less sophisticated information at a time when there is growing complexity?

Jason Appel: “I’d rather look at this from the position of what amazing information is now available because of IT. There



shouldn't be SMEs managing their business solely by cash, without knowing if their position could be vulnerable and why. They can create models to flex their growth because software makes it incredibly simple to see the implications from every aspect; for example if they are looking to take on a specific number of employees.”

• Where, in your experience, do companies fail to get the best out of their accounting software, and why? And what specifically do mid-tier organisations require which isn't being met by entry or enterprise level accounting software?

Jason Appel: “Historically for each requirement, an accountancy firm has looked for specific software which they believe is best of breed, but none of them talk to each other properly. Data arriving in different formats, with greater sophistication, will add complexity to the equation, and at the same time the user experience has to be simplified. The mindset has to be that the investment is to improve business performance rather than the primary aim being to reduce operational costs.

“The danger with live data is that clients will see an incomplete picture. It could be that all the sales invoices have been posted but the bank feed is not immediately up-to-date or some costs haven't yet been submitted. At some point there needs to be a reconciliation, probably still at the end of the month.

“We have seen companies which have insisted on scoping and specifying their new system themselves without any input from





an adviser, so there is no fresh thinking about what information they really need to get out of it, how, and when. It's why we have management accountants whose focus is to look at a company's existing system, exploring could be done better, and to help build the specification.”

- **What are the issues which affect the decision-making process and timing - risk, worry about disruption at a time when organisations are increasingly busy, inherent reluctance to change, ‘nobody got fired for buying IBM’ syndrome - and how in your view are they best addressed?**

Jason Appel: “A lot of conversations about IT were initiated by the pandemic, by companies forced to look at what else they needed to introduce in terms of technology just to keep going rather than looking proactively at aligning IT with their growth



strategy. It meant that people were much more prepared out of necessity to look at what new systems could deliver; the owner-manager didn't have to push the case with a financial controller who in previous circumstances would have been reluctant to change simply because they had been using the existing system for years. The pandemic forced their hands. It was suddenly not a question of whether you wanted to do it, but the fact that you had to.

“Accountancy firms had to step out of their comfort zone and do things differently because there was no other choice, and consolidation in the profession is all based on technology being key for building a central platform for acquisitions, wherever they are located.”

• **Where might IT add value to the accountancy practice going forward?**

Jason Appel: “We've moved on from the question of whether an investment in IT is essential in order to add value. Absolutely it's not an 'either-or' option. Technology is driving the profession. The choice is whether you adopt it to build a relationship-based advisory role rather than see it as something to hide behind. When we are considering the appointment of a candidate, we look at their ability to provide an advisory role, to sit in front of the client and interpret data, rather than just recount what has been processed.”

www.bkl.co.uk



Jason Appel was in conversation with Larry Dillner, editor, DECISION magazine, and Paul Sparkes, commercial director, iplicit, for one of a series of papers to be published as a book in 2023.

About iplicit

Providing a cloud-based finance and management software solution that allows businesses to focus on what really matters. Tailored for those frustrated by on-premise legacy software, iplicit provides greater flexibility and enhanced levels of reporting, integrating with other cloud applications for a seamless migration path from a user's existing system, enabling organisations to 'step up' to next generation finance software without losing the functionality they currently enjoy. iplicit received the Accounting Excellence award for mid-market and enterprise software of the year in 2020, and the top product for enterprise accounting/ERP in the Accounting Web software awards, 2021.

124 City Road, London EC1V 2NX
County Gates House, 300 Poole Road, Bournemouth BH12 1AZ

0207 729 3260
info@iplicit.com
iplicit.com

Unit F7 Riverview Business Park, Nangor Road, Dublin 12, Ireland
info@iplicitireland.com
(+353) 1 592 0850

About DECISION magazine

First published in 1988, DECISION magazine reflects the business lifestyle, the trials and tribulations, the hopes and aspirations of directors and managing partners responsible for businesses with a turnover of £5million and above across the south of England and London.

