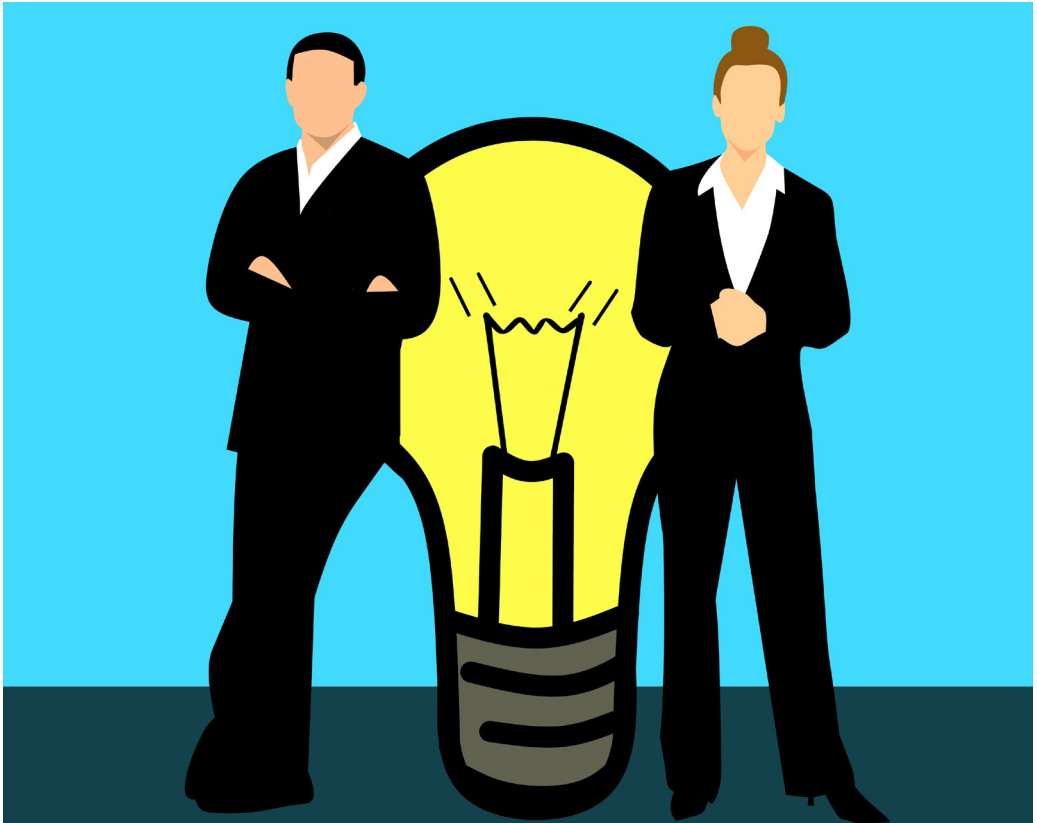# WHAT ACCOUNTANTS COULD DO NEXT

A conversation with Lyndsay Hardwick
Senior Business Innovation Manager
Milsted Langdon

Extract from a book commissioned by:

iplicit

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.

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How the advisory role unfolds

• **How is an accountancy practice able to provide value-added to the client in service areas which are becoming more commodified and perhaps price driven?**

Lyndsay Hardwick, Senior Business Innovation Manager Milsted Langdon: "Essentially, you could say that every accountancy provides the same service offering, but what technology should enable us to do is to form a closer relationship with the client, to improve the client experience, and from that, the advisory role unfolds. If the client has access to real time information, then we'll be having continuing conversations about their current situation, their strategy and how it is being delivered rather than the focus being on a review of their end of year accounts.

"Software exists to enable clients to effectively do the data entry tasks which we or a book-keeper would have had to do. The value is that technology enables us to provide advisory support when before, that data wasn't to hand to interpret, and we wouldn't have been able to address a problem other than historically, after something had happened. Technology means the focus can be on looking forward rather than fighting unexpected fires."

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Lyndsay Hardwick

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

Lyndsay Hardwick: "I think what happened is that the sudden impact of Covid-19 meant that for many businesses, new technology had to be introduced out of necessity. Before there would have been endless debate about any possible negative reaction from clients, especially those of an older generation if an investment in video conferencing was being considered, but with lockdown there was no other option.

"Now, even if someone is working in their office, they'll still have a Teams meeting if it's easier.

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"The key is being up-front about why new technology is being introduced and being prepared to hand-hold people through the process so they are comfortable with it. That is why there was no push-back when two years before the pandemic we launched document signing through our client portal rather than sending out paperwork.

"It all means that more time can be spend advising instead of dealing with process."

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

Lyndsay Hardwick: "I don't think so. Accounting software providers are competing to get the next new feature out into the market and that increases efficiencies for accountants and clients. What we are seeing is a greater role for accountants in working with the client to identify the best platform for them, and of course their technical understanding of IT comes into that.

"An advisor needs to be in a position to understand where the pain points are going to be and whether the software can enable the client to address them.

"There are accountancy firms which for reasons of efficiency and conformity will only accept new clients if they are prepared to

use a particular software. Our definition of efficiency is to get the data in from a client and providing meaningful information in the quickest possible time, not imposing a way of working on them."

• What specifically do mid-tier organisations require which isn't being met by entry or enterprise level accounting software?

Lyndsay Hardwick: "Entry level software can be difficult to scale as a business grows. With the need for numerous add ons, it all becomes bitty when the client really wants everything in one place without multiple log ins. As they find they have more of a requirement for business intelligence, customised reports, and a need to look at the data in more detail, costs increase, there can be issues with integration, and the client is stuck in the middle between different providers whose products aren't talking to each other properly."

• Where, in your experience do companies fail to get the best out of their accounting software, and why?

Lyndsay Hardwick: "The underlying cause is that they can be so bogged down in the day job, they haven't prioritised it or devoted sufficient resource to training and implementation. On an operational level, what can often happen is that there will be issues with the way they post entries for example.

"The time needs to be put in up front, so that upfront, a business can identify what else the new software can deliver. The problem

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**Can apprentices help with
your skills shortage?**

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can be that they might not have the understanding to know
what additional efficiencies and other value their investment
could deliver, so it can be about reporting rather than just
reconciliation."

**• From your observations, what are the catalysts which prompt
a mid-tier company or accountancy practice to introduce new
software? What are the issues which affect the decision-making
process and timing – risk, 'nobody got fired for buying IBM'
syndrome, worry about disruption at a time when organisations
are increasingly busy, inherent reluctance to change – and how
in your view are they best addressed?**

Lyndsay Hardwick: "There is drive for more efficiency, and two
years with Covid-19 made firms realise that technology has so
much more to offer. There's an inevitability now as well with

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the government's strategy to make tax digital. The employee experience is also definitely a factor, because the new generation expect to be using the latest IT. Their presence and how technology is a natural part of their lives has changed our induction process for example. Instead of a quite formal classroom-based approach with whole morning or afternoon sessions, there is more emphasis on self-service, on-line learning.

"Where there could be a risk is that we have seen trainees relying totally on the software they are using. If the software says this is the figure, then they take it for granted that it's right. When I was in their position, I knew how to do all the credits and debits manually, information which now automatically feeds into the system.

"So before we start them with the software, we put all of our trainees through a week-long book-keeping course so they understand the basics. It means they will be able to question a figure they see on screen, a skill which is a fundamental of accounting."

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

Lyndsay Hardwick: "Ensuring all the data is in one place rather than it having to be exported to different software for book-keeping, accounts, to producing the returns. It would be nice for integration to be a given, but then there's the added burden of legacy systems to factor in.

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"But the important point is that if we look not too far into the future, it is likely that for a mid-tier or smaller accountancy firm, compliance work would have dwindled if not gone, companies will be producing their accounts and filing them on a quarterly basis, which is when they will be paying their tax, and there will no longer be any data being entered manually.

"Artificial intelligence will mean that systems will learn from what has been coded previously, and sales invoices will automatically be posted to the customer's ledger.

"For the accountancy firm, being able to provide the advisory piece will be mission-critical for its existence."

www.milstedlangdon.co.uk

Lyndsay Hardwick 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.

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