

# ONWARD!

THE FINANCIAL PROFESSIONAL'S GUIDE TO  
MORE SYNCHRONIZED ACCOUNTING





*While digital technology has made the accounting profession easier in many ways, accountants have also faced several new challenges over the last several years.*

For one thing, the regulatory environment is churning like never before, with guidelines evolving in everything from revenue recognition to employee benefits, tax accounting and share-based payments. Keeping up with every governmental regulation can be a gargantuan task, especially when clients are active across multiple countries.

<sup>1</sup>“The roles and responsibilities of compliance officers are growing each year as risk factors increase and the regulatory landscape shifts,” said Paul Mayer, MBA, MPA, CHC, Executive Vice President, The Bonadio Group. “While we’re encouraged to see most compliance officers are considered strategic partners by their organizations, there are significant opportunities for organizations to fortify their risk assessment and management strategy.” At the same time clients, investors and employees (particularly



millennials) are demanding much more transparency from their bookkeepers, accountants or CPA firms. To help build trust and credibility, accountants are under pressure these days to provide a higher level of data transparency, a full audit trail and disclosures in their record-keeping.

<sup>2</sup>“Companies with fuller disclosure win more trust from investors,” notes Ben McClure on [Investopedia.com](http://Investopedia.com). “Relevant and reliable information means less risk to investors and thus a lower cost of capital... It’s even better when financial reports provide a line-of-sight view into the company’s growth drivers.”

A third challenge is simply the complexity of the tax code as it pertains to financial reporting. The tax code is in near constant flux as each new federal administration implements new financial, business and economic policies, which only adds uncertainty to an already complex endeavor.

<sup>3</sup>“Complexity in accounting is costly for both investors and companies,” FASB Chairman Russell Golden was quoted as saying in the [Journal of Accountancy](http://JournalofAccountancy.com). “For investors, overly complex financial reports often obscure important information they need to make sound capital allocation decisions. For preparers, a complicated, unclear, hard-to-understand standard obscures its meaning. And even when an accounting treatment is clear, applying it can be lengthy, difficult and expensive.”

Not surprisingly, a recent survey of U.S. business leaders and accounting professionals cited in <sup>4</sup>[Accounting Today](http://AccountingToday.com) found their top professional concerns to be the impact of new accounting technologies and the ability of accountants to adapt to the rapid pace of change.

1. The Bonadio Group (March 12, 2020). The Bonadio Group Survey Reveals Areas of Opportunity for Improving an Organization’s Compliance Function. [www.bonadio.com](http://www.bonadio.com)
2. Ben McClure (June 25, 2019). Financial Reporting: The Importance of Corporate Transparency. [www.investopedia.com](http://www.investopedia.com)
3. Maria L. Murphy, CPA (April 13, 2015). 7 Ways Reduced Complexity Will Affect the Financial Reporting World. [www.journalofaccountancy.com](http://www.journalofaccountancy.com)
4. Daniel Hood (October 1, 2018). The Accounting Professions Biggest Challenges. [www.accountingtoday.com](http://www.accountingtoday.com)





# RESILIENT, EFFICIENT & PREPARED

*So, what are some solutions for the major challenges faced by today's accountants? Here are best practices for better, more synchronized industry accounting.*



## RECRUIT AND RETAIN THE BEST TALENT YOU CAN FIND

As with many other professions, the mass retirement of baby boomers is creating a shortage of accountants.<sup>5</sup> In one survey by the American Institute of CPAs, in fact, 43 percent of company execs who responded reported needing more employees. That indicates employers will need to be more proactive in securing talent by beefing up recruitment techniques, offering attractive salaries and creating highly appealing perks like remote work opportunities, flexible schedules, student loan payments and career progression plans. "With the new gig economy trend, accounting firms and businesses can expect to see a shift in the traditional workforce model to one that includes remote professionals with long-term tenure," notes Bob Criscuolo in Accounting Today. "By removing geographic requirements, companies can choose from several carefully vetted candidates and find one that fits its exact needs."

5. Bob Criscuolo (July 10, 2018). The Unlikely Heroes of Accounting's Shrinking Talent Pool: Boomers. [www.accountingtoday.com](http://www.accountingtoday.com)

## TAKE INITIATIVE TO FOLLOW REGULATORY CHANGES

Make sure you or another leader at your company is closely tracking trends and changes in law that will impact your clients. You may wish to sign up for relevant Google alerts, subscribe to online or offline accounting magazines, join industry trade groups or attend classes and seminars yourself. You'll also want to stay on top of state and municipal-level tax and regulatory changes that could affect your work. <sup>6</sup>"Increased regulation and stronger governance will have the greatest impact on the profession in the years to 2025," states an [industry report](#) by the Association of Chartered Certified Accountants (ACCA). "All members of the profession will be affected directly or indirectly and to varying degrees. For example, professional accountants in many roles and countries will be affected by intergovernmental tax action to limit base erosion and profit shifting, but specialists in tax will experience the greatest impact. Meanwhile, fairness in tax will continue to rise in prominence in political and social agendas around the globe."

6. ACCA (June 2016). Professional Accountants - The Future: Drivers of Change and Future Skills. [www.accaglobal.com](http://www.accaglobal.com)







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## PROVIDE YOUR OWN STAFF TRAINING

Instead of expecting employees to join your firm fully versed in current regulations, you may need to hold seminars or workshops that keep them up to speed. Older accountants may need help adapting to the newer technologies that can speed completion of routine accounting functions and free them up to help clients and company leaders strategize.<sup>7</sup>“Of special concern is making sure mid-career CPAs are learning the skills necessary to make the transition to being data- and technology-savvy business advisers,” confirm Ken Tysiac and Jeff Drew in a [Journal of Accountancy](#) article. “Firms might need to provide training using computer simulations the way pilots are trained via flight simulators.” In the same article, CPA Rick Richardson recommends CPAs invest 160 hours in continuing professional education every two years just to remain competitive, with 80 of them related to new technology. “It’s a matter of survival,” he says. “If we don’t set almost unreachable goals, we will never catch up, let alone move ahead of the change curve.”

## INVEST IN USER-FRIENDLY ACCOUNTING SOFTWARE THAT SAVES TIME, ENERGY AND AGGRAVATION

The more you can automate time-consuming accounting tasks, the better you can optimize your staff’s knowledge, experience and brainpower to help improve your business operations. These days, highly automated accounting can turn into a competitive differentiator by streamlining operations, improving efficiency and paving the way toward better-informed corporate strategies.<sup>8</sup>“It’s important to select the right accounting software for the size of your business too, as there’s little point in purchasing a full-on bells-and-whistles package when you might only need to use a few of the features. If you’ve got fairly simplistic business accountancy requirements, then it’s a good idea to keep things as basic as possible,” says Rob Clymo at [TechRadar](#). “Conversely, if you’ve got complex accountancy requirements, then spending money on the right software can end up saving you time and money in the long run. But being able to do everything digitally is certainly the way forwards if you’re not already using computing power to crunch those numbers.”

7. Ken Tysiac and Jeff Drew (June 1, 2018). Accounting Firms: The Next Generation. [www.journalofaccountancy.com](http://www.journalofaccountancy.com)

8. Rob Clymo (April 9, 2020). How to Choose Accounting Software for Small Business. [www.techradar.com](http://www.techradar.com)



## CONSIDER OTHER KEY ACCOUNTING TOOLS

As new technology continues to impact the industry, review the functions of various tools and devices and how they may keep your firm better organized and more efficient. If they'll save you time and/or money, buy them. Tysiac and Drew point to multiple drivers of transformation, including data analytics, machine learning, AI, blockchain and 5G digital technology. In one example, they write, combinations of AI, big data, and blockchain technologies could enable real-time verification of business transactions and audits of full financial data sets, reducing and perhaps eliminating the need for sampling.



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## DELEGATE TASKS

As you build your staff, choose key accounting functions that can be handled by junior members. Transferring roles will help them build their skills while freeing you up to conduct research, form strategy and otherwise brainstorm improvements to your business.<sup>9</sup> "Management of any organization really comes down to the ability to get things done through other people," notes Hugh Duffy on [Buildyourfirm.com](http://Buildyourfirm.com). "Effective team leaders learn to effectively delegate and build strong organizations that are productive and motivated underneath them."

## EXPECT TURNOVER

No matter how hard you try to retain quality employees, your accountants are going to be in demand like never before. Realistically, the labor shortage will create higher levels of worker turnover than you may have experienced in the past. Fortunately, you can guard against the impact of that turnover by always having a "Plan B," ensuring your staff's base of knowledge is strong enough so clients experience no interruptions when accountants leave your firm, take vacations or require leaves of absence.<sup>10</sup> "We can do our best to make our employees happy at work, but no matter what we do, the competitive labor market will make turnover inevitable," writes Blake Oliver on [Accountingweb.com](http://Accountingweb.com). "Sometimes, the best we can do is damage control." Accounting firms can hedge against such loss by standardizing workflows and processes, ensuring that staffers share key information, consolidating data via a capable software program and routinely building slack time into accountants' schedules so they can temporarily tackle additional assignments when co-workers leave.

9. Hugh Duffy (November 7, 2017). Delegating Responsibility. [www.buildyourfirm.com](http://www.buildyourfirm.com)

10. Blake Oliver (June 7, 2017). How to Minimize the Pain of Accounting Team Turnover. [www.accountingweb.com](http://www.accountingweb.com)



## HELP EMPLOYEES CARE FOR THEIR PHYSICAL AND MENTAL HEALTH

Common sense dictates that healthy employees are likely to be more comfortable at work and able to remain on the job for longer terms. That makes it worth your while to provide education and resources to help ensure the physical, mental and emotional wellbeing of your employees. Examples might include highly affordable healthcare insurance, paid psychiatric counseling, on-site workout facilities, on-site medical clinics, health information hotlines, access to health seminars, paid massage therapy, ergonomic worksite conversions, etc. <sup>11</sup>[Studies indicate](#) that for many employees, adequate health insurance is even more important than salary. <sup>12</sup>"It's increasingly clear that unhealthy and unengaged employees are a drag on productivity, innovation and the bottom line," writes wellness consultant Naz Beheshti in [Forbes](#). "Healthy employees are happier and show higher rates of job satisfaction. Engaged employees show up to work with a bounce in their step and are less vulnerable to stress, a significant driver of poor health."

## UNDERSTAND YOUR OWN TECHNOLOGY

As you learn and adjust to the ever-changing intricacies of the accounting trade, you may have lacked the time to dissect all the features of the technology you've been purchasing. When you understand all the elements yourself, you can be better prepared to react to IT "emergencies" that could interfere with client work. <sup>13</sup>"Even the most well-designed technological solutions are useless if they are not set up properly and monitored to determine whether they are performing effectively," writes Tysiac and Drew in the [Journal of Accountancy](#).

11. Ron Goldstein (July 3, 2018). The Four Advantages of Offering Health and Wellness Benefits to Employees. [www.forbes.com](http://www.forbes.com)

12. Naz Beheshti (January 16, 2019). 10 Timely Statistics About The Connection Between Employee Engagement And Wellness. [www.forbes.com](http://www.forbes.com)

13. Ken Tysiac and Jeff Drew (June 1, 2018). 4 Skills Accountants Need to Succeed in a Tech-Enabled Future. [www.journalofaccountancy.com](http://www.journalofaccountancy.com)

14. Complete Controller (March 16, 2020). Ensuring Compliance with Accounting Standards - The No Go Area for Business. [www.completecontroller.com](http://www.completecontroller.com)

## DON'T MESS WITH THE IRS

Avoid any fines or legal battles by maintaining a zero-tolerance policy when it comes to breaking or stretching IRS rules in your accounting. Risking your reputation and those of clients is not worth taking advantage of the many gray areas that are pervasive in tax code. <sup>14</sup>"If a firm does not follow standard accounting procedures and practices, then it can be legally challenged. Especially in government or publicly traded companies, a uniform, clear, transparent accounting data is crucial," according to [Complete Controller](#). "In business-oriented companies, financial statements that have followed accounting standards are credible and clear. These businesses can solidly grow, and potential investors have more trust in them. Bank loans and other subsidies are preferably given to businesses when accounting standardization is in their business."



## REMAIN PROACTIVE

Do everything you can to anticipate future company needs and challenges by keeping up on industry news, economic trends, competitors' strategies and activities, client feedback, etc.<sup>15</sup> "Global connectivity, smart machines and new media are just some of the drivers reshaping how people think about work, what constitutes work and the competencies that will be needed for productive contributors in the future," writes Helen Brand, chief executive of the [ACCA](#). "In the competitive and rapidly changing profession of accounting, firms that want to survive and thrive will need to be smart about boosting their efficiency, optimizing available technology, nurturing their work forces and staying up to speed on important trends, events and regulations."

15. ACCA (June 2016). Professional Accountants - The Future: Drivers of Change and Future Skills. [www.accaglobal.com](http://www.accaglobal.com)







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