



LOOKING FORWARD:

Top Skills Modern
Accountants Need
for 2020 and Beyond



The accounting industry is rapidly evolving, and smart companies are adapting their accounting practices to upgrade technology, ramp up efficiency and keep up with their peers.

That should be a wake-up call to organizations that may have been dragging their heels about investing in and/or learning the accounting technologies that are driving the industry. No longer are upgrades a matter of choice; modern accountants need to embrace the new skills and techniques that can help their companies survive and thrive.



In the CPA Journal, ¹Chanyuan Zhang points to ²McKinsey studies showing at least 50% of the work now conducted by accountants is automatable through current technologies, with 15% more expected to be automatable in the near future.

The good news is that the accounting software industry is doing an admirable job keeping up with that demand; ³in fact, according to Accounting Today, its value is projected to reach \$11.8 billion by 2026.

“Disruptive technologies such as robotic process automation, artificial intelligence, blockchain, smart contracts and advanced analytics have reshaped existing business models and facilitated the emergence of new ones,” explains Zhang. “Repetitive and mundane tasks are becoming less important and the need for high-level skills is increasing. The current ‘entry-level’ jobs that require no- or low-level cognitive skills may eventually disappear.”

What does that mean to forward-thinking accountants? Namely, that they need to empower themselves with the skills of the future if they haven’t already done so. As such, here are some of the most powerful trends affecting the industry, along with suggestions for getting yourself and your company up to speed.

GREATER USE OF CLOUD-BASED SOFTWARE

The cloud computing market is expected to reach a whopping ⁴\$411 billion by 2020. And if your accounting tools aren’t functioning in the cloud, you’re missing out on the convenience of having real-time data available 24-7 from any location with internet service. Ensuring your key information can be readily accessed by all major stakeholders is essential to making



well-informed decisions that are crucial to today’s business environment. The cloud also offers unprecedented security, can help you rid your office of unwanted IT clutter and can empower you and your employees to work remotely as needed. It can also improve efficiencies and productivity throughout your organization.

- ¹ Zhang, Chanyuan (September 2018). *The Impact of Disruptive Technologies on Accounting and Auditing Education*. www.cpajournal.com
- ² Manyika, James; Lund, Susan; Chui, Michael; Bughin, Jacques; Woetzel, Jonathan; Batra, Parul; Ko, Ryan; Sanghvi, Saurabh (November 2017). *Jobs lost, jobs gained: What the future of work will mean for jobs, skills, and wages*. www.mckinsey.com
- ³ Arrowsmith, Ranica (July 2018). *Accounting software market to reach \$11.8B by 2026*. www.accountingtoday.com
- ⁴ Ohio University. *3 Accounting Tech Trends to Watch for in 2019*. <https://onlinemasters.ohio.edu>



⁵"Disconnected, ad hoc spreadsheets contain numbers of uncertain provenance, yet they drive the substance of presentations to boards and investors," notes Stuart Miller in an Accounting Today article. "So it's not surprising that a recent survey of nearly 1,000 CFOs and senior finance professionals by FSN, a U.K.-based news and research organization, found that 40 percent of boardrooms do not have a complete view of their business."

GREATER USE OF DATA ANALYTICS

As machine learning and the IoT make data both more valuable and more accessible, savvy businesses are optimizing that info to better understand their customers, segment their marketing and form better strategies. ⁶Moving forward, accountants will need to become proficient in descriptive analytics that provide insight into what is happening; diagnostic analytics that cipher the origin and cause of what is happening and predictive analytics that identify patterns and make future forecasts based on what is happening, explains the Ohio University Online Master of Accountancy.

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Fortunately, today's capable accounting software can often provide invaluable assistance when it comes to consolidating data and creating the databases, dashboards, maps and processes needed for such analysis.

EMPHASIS ON THE ROLE OF ACCOUNTANTS AS ADVISORS

Those same automated processes are giving accountants more time and capacity to focus on interpreting data so they can advise other business leaders on future actions and policies. Since machines can't replicate the expertise needed for expert decision making and planning, accountants can effectively future-proof their careers by embracing technology and building on their roles as their clients' (or executives') most trusted and valued business advisors.

⁷"While algorithms will continue to get more powerful and efficient at compiling

big data, computers are only great transactional machines," advises Nick Chandi in Forbes. "They can't replace the interpretive capacity of the human mind. It's also pretty hard to teach a machine common sense. Accountants are the ones who'll have to apply this information to the real world to provide crucial business insights and intelligence."

MORE USE OF BLOCKCHAIN

Because of its vast potential, ⁸worldwide spending on blockchain technology (across industries) is expected to grow from \$1.5 billion in 2018 to \$11.7 billion in 2022, reports Statista. And the disruptive cloud-based technology is already making automated financial record-keeping easier and more secure by enabling two-party cryptocurrency transactions that can't be altered or

⁵ Miller, Stuart (January 2019). *Voices The debate about Excel*. www.accountingtoday.com

⁶ Ohio University. *3 Accounting Tech Trends to Watch for in 2019*. <https://onlinemasters.ohio.edu>

⁷ Chandi, Nick (September 2018). *Accounting Trends Of Tomorrow: What You Need to Know*. www.forbes.com

⁸ Liu, ShanHong (August 2019). *Blockchain - Statistics & Facts*. www.statista.com



corrupted by others.⁹ “Blockchain technology has the potential to shapeshift the nature of today’s accounting,” confirm the authors of a recent Deloitte study. “From simplifying the compliance with regulatory requirements to enhancing the prevalent double entry bookkeeping, anything is imaginable. A cascade of new applications will likely follow that are built on top of each other, leading way for new, unprecedented services.”

All that means is that it behooves accountants to learn as much as they can about the intricacies of the technology as it begins to affect the mainstream.

STRONGER NEED TO ESTABLISH TRUST AND TRANSPARENCY

As consumers grapple with fake news, social media spouts questionable information and millennials continue to seek more authentic relationships with the businesses they frequent, accountants must work harder to make facts and record-keeping transparent.¹⁰ “Building trust through transparency isn’t just about attracting new business ... (it’s) about growing customer relationships capable of withstanding difficult challenges,” writes Michael Weinhouse in Forbes. “If you’ve been open and honest with your customers from day one, they’ll be much more likely to keep working with you after setbacks.”

Cloud-based software can often help boost transparency by ensuring accounting records are easy to access and share across multiple stakeholders.

⁹ Deloitte (March 2016). *Blockchain Technology: A game-changer in accounting?* www2.deloitte.com

¹⁰ Weinhouse, Michael (April 2019). *Why You Should Be Radically Transparent With Your Customers.* www.forbes.com

MORE RELIANCE ON VIDEO AS A TOOL

Across industries, businesses are increasingly recognizing the value of online video footage as a marketing tool that can effectively address consumers' short attention spans. ¹¹One study, for example, found 53% of customers engage with a brand after watching a video on social media. ¹²"A website alone is no longer enough; clients want more," notes a recent blog from CPA Site Solutions. "Try creating a library of how-to videos and FAQs that address common concerns. Easy-to-read articles and posts are also great ways to share content. But remember, consistency is key — as even an engaged audience is fickle and will quickly go elsewhere if you stop meeting their needs."

Marketing automation tools built into a solid CRM system can help manage, analyze and refine your campaigns.

EVERYTHING MOBILE

¹³The number of mobile phone internet users in the United States is expected to

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increase from 237 million in 2017 to 275 million by 2022, reports Tech Jury. That means businesses not optimized for mobile processes and communications are due to rapidly fall behind. Websites and online marketing must prioritize correct formatting, lightning-fast load times, thumb-friendly buttons, easy-to-read text and similar conveniences so consumers don't get annoyed and move on to your competitor.

To be truly mobile, your team could access all relevant data based on security via any device (desktop, tablet or phone).

MORE MILLENNIAL CLIENTS AND EMPLOYEES

¹⁴CPA Site Solutions reports that by 2020,

millennials will comprise more than one of three adult Americans and 75% of the workforce. As such, it behooves accountants to learn as much as possible about the commonalities of those born between 1980 and 2000 and how they're continuing to drive business culture. ¹⁵On Smallbiztrends.com, Larry Alton points to some of those commonalities as an increasing need for convenience, a desire for options (especially budget-friendly alternatives) and a focus on experiences. "A failure to understand and engage this segment on their terms will result in unnecessary friction and pushback," writes Alton. "Now's the time to really hone in on your target market and adjust, tweak and optimize your marketing strategies and product offerings to align with their preferences."

¹¹Carter, Joanna (August 2019). *Video marketing statistics to know for 2019*. www.smartinsights.com

¹²CPA Site Solutions (January 2018). *Top Anticipated Trends for Accounting and Marketing by 2020*. www.cpasitesolutions.com

¹³Lynkova, Darina (April 2019). *25+ Awesome Mobile Marketing Statistics for 2019*. <https://techjury.net>

¹⁴CPA Site Solutions (January 2018). *Top Anticipated Trends for Accounting and Marketing by 2020*. www.cpasitesolutions.com

¹⁵Alton, Larry (June 2018). *How to Gain Millennial Customers: 6 Things They Want From Your Brand*. <https://smallbiztrends.com>

Millennials want choices, they want to be able to subscribe for products and/or services and pay as they go. With a Software-as-a-Service (SaaS) model, they can get automatic updates and the latest versions to which they subscribe to.

GREATER EMPHASIS ON CYBERSECURITY

As cyberattacks continue to ramp up, accountants will be under more pressure to try to protect proprietary financial information from falling into the wrong hands. ¹⁶Juniper Research recently predicted that cybercrimes will account for \$2 trillion in worldwide losses this year. ¹⁷“Small business owners often do not pay attention to cybersecurity, thinking they’re not even worth being attacked,” advises Matt Powell in CPO Magazine. “And this is what makes them the perfect target.” He notes that small businesses make up to 13% of the entire cybersecurity

market. Fortunately, capable cloud-based accounting software can often help beef up cybersecurity by enabling easier third-party compliance audits, change management certification, certified references and data integrity.

As the accounting industry goes through a time of transformation, forward-thinking accountants need to consider which new skills and procedures they need to embrace to compete effectively. Staying up-to-date on ongoing trends is the best way for financial professionals to prepare for the new challenges and demands that will be presented.

¹⁶Smith, Sam (May 2015). *Cybercrime will cost businesses over \$2 Trillion by 2019 (Press Release)*. www.juniperresearch.com

¹⁷Powell, Matt (June 2019). *11 Eye Opening Cyber Security Statistics for 2019*. www.cpomagazine.com



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