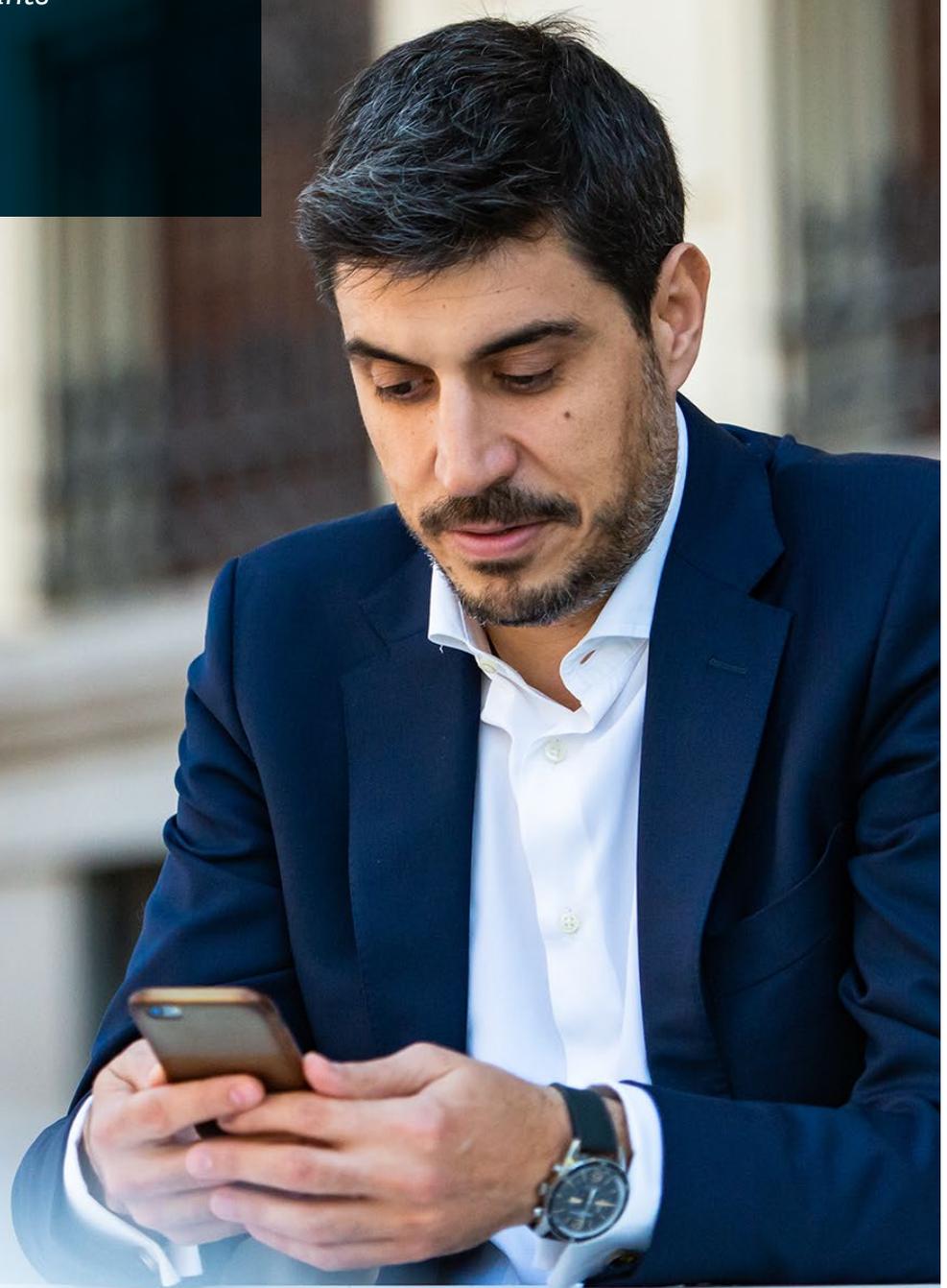


E-BOOK

Accounting for change

*A practical guide
for accountants*



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Introduction

Over the last 20 years, technology has changed the way we live and work forever, and with a constantly evolving digital landscape, things are not about to slow down anytime soon. Companies are having to re-think how they do business with their customers, the skill-sets of the people they employ, and the tools they have in place to maximise efficiencies and safeguard profit. If they do not demonstrate flexibility and adapt, they risk losing out to the competition or worse, risk dying.

The same applies to one of the world's oldest professions – accountancy. As the technology we use in our personal lives becomes more advanced – customers and firms alike are beginning to demand the same level of access to information and security of data, in the workplace. For accountants this means that as well as providing the benchmark for compliance, today's firms are expected to act as trusted advisors, forward thinkers, and increasingly, become digitally savvy.

In preparing for the future, accountants must think about what tomorrow looks like, how they remain relevant, and how they position themselves and their firms for this change.

As the workforce becomes multi-generational, employers need to respond. This has never been truer than in Accounting – with baby boomers and millennials working side by side, employers need to motivate teams at very different levels, as well as provide a career path that halts a haemorrhage of talent. So how do accountants take action and work in a different way to the way they did before?

A great deal of an accounting firms' decision making will be underpinned by technology, whether that be in the form of cloud computing today, or Blockchain and artificial intelligence (AI) tomorrow. Clients are going to expect accounting firms to have the latest and greatest technology on offer. They will also expect accountants to have the knowledge to go with it, alongside a detailed understanding of what the benefits will look like. However, it is not just about adopting the right solutions; it is also about discovering the niche that will give the practice a competitive advantage.

Most accountants understand the theory behind being the accountant of the future, how the chances for success are exponentially greater if they can anticipate trends, and future-proof themselves for success. This practical guide provides the steps that can be taken to help accounting firms become even more competitive, generate new customer acquisition and increase their bottom line.



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Chapter 1: *Talent - attracting and retaining the accountants of the future*

Today's accounting firms are having to deal with a plethora of issues, but attracting and retaining the right talent is undoubtedly one of the biggest challenges they currently face.

The accounting profession has gone through a huge amount of change over the last few years, driven by factors such as new technologies, a multi-generational workforce and changing client demands, meaning they have had to adapt quickly to keep pace.

The result: accountants now need a wider range of skills than ever before to maintain their relevance in today's rapidly evolving market. For example, technological literacy is now an expectation rather than a nice-to-have, stellar project management skills are the difference between making a profit or a loss, and while the machines look after calculations and compliance, accountants are expected to become trusted advisors.

One reason for this is evolving client requirements. Sage's own **Practice of Now 2018** report found that 83 per cent of clients are demanding more from accountants today than they were five years ago, while 42 per cent now expect their accountant to provide business strategy and advice on top of their traditional financial responsibilities.

Accountancy has very much become a service profession, where accountants are expected to anticipate what their clients will need tomorrow, as well as meet their needs today. The days of limited interactions with clients are long gone, replaced with a focus on providing the best possible client experience and fostering collaborative, strategic relationships.

These factors only heighten the war on talent and mean accountancy firms need laser focus when recruiting talent for today, and succession planning for tomorrow.

Rise of the accountant 2.0

Along with traditional accounting skills, and of course technological competences, the likes of advisory, communication, project management and relationship building skills are all growing in prominence in the accounting profession, forcing firms to look outside of the standard talent pool and beyond the traditional accountancy qualifications.

Technologies such as artificial intelligence (AI) and automation are playing increasingly important roles. As automation continues to take over a greater proportion of routine bookkeeping and administrative tasks, accountants will be freed up to spend more time developing the aforementioned 'soft' skills and building deeper, long-lasting relationships with their clients – all ingredients that will help grow their practices.

And let's remember, there are plenty of talented professionals in other domains, so employing different types of people that have the skills to make a difference is a very real option for accountancy practices.

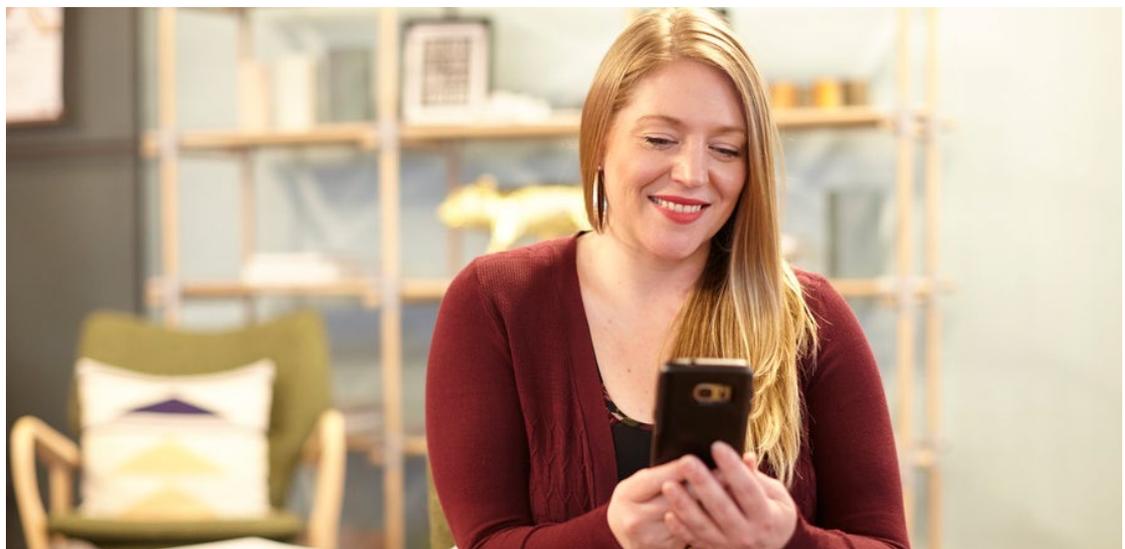
The need for the 'Accountant 2.0' is a challenge many firms can relate to, especially when it comes to client servicing. Most clients now want to work with accountants that can adapt with the shifting business landscape – a trusted advisor rather than just a financial resource. However, attracting and retaining people with the required skills to meet this requirement is not easy.

Talent acquisition and retention is something many industries are struggling with, but the challenge is particularly pronounced in the accounting profession – especially among practices. This is due to a variety of factors, including growing competition in the profession and the attractive packages on offer at blue-chip organisations.

Accountants, at all levels, are very aware of their worth and pay much more attention to what kind of workplace experiences and perks their contemporaries have access to. If organisations don't provide the experience accountants demand and show them exactly how they can progress, they risk losing them to firms that do.

Consider the range of skills Accountant 2.0 will need:

- ✔ Recruit from a wider pool and remember a firm can find strength through diversity
- ✔ Consider appointing Apprentices, or direct school leavers
- ✔ Recruit from a broad range of universities and colleges with varied degrees
- ✔ Experience in different industries is valuable, especially those with skills in customer service



Staying future-proof

Ultimately, employing the right people with the right mix of skills and providing a culture that allows them to thrive, will be key to the success of any accountancy firm. The focus has to be on making employment choices that bring digital knowledge and expertise into the practice, along with strategic and critical thinking. A greater focus on creating the right company culture and delivering an engaging employee experience will then be critical to keeping and developing talent.

Ultimately, the fate of accounting firms lies within the hands of those in the profession. Accountants need to be the creators and enablers of new talent – modern, exciting, forward-looking candidates won't simply appear by themselves. Opportunities need to be moulded and shaped by the profession.

With this backdrop in mind, what can accounting firms do to attract and retain the accountants of the future?

The path to partnership

One of the most effective ways to attract and retain the profession's top talent is to provide a clear career development and training path – such as the route to Partnership. This makes it easier for accountants to see how they fit into the bigger picture and the potential opportunities available to them. A challenge many accountancy firms

come across is that middle-level employees often get disillusioned as they progress. With becoming a Partner being the 'promised land', providing colleagues a clear and achievable route to this goal – and carrying out regular reviews to monitor their progress – could be the golden ticket to retaining valuable team members.

As well as ensuring employees' career paths are clearly laid out, firms should think about providing training programmes – around leadership or data analytics, for example – to help staff develop their skillsets and progress at a faster rate. This is especially effective for employees that might need a helping hand to reach the next level, especially those that are not comfortable with technology.

Taking this approach will help pave the way for continued success by enabling firms to recruit and retain the right employees to support their long-term growth ambitions. After all, firms that keep their employees for a long time and promote from within, rather than having to look externally, will likely be the ones that enjoy continued success.

Once you have great staff, keep them by:

- ✓ Providing a clear line of sight to partnership
- ✓ Sharing what is expected and help them stay on track



Think outside the traditional accountancy box

The need to build deeper relationships with a new generation of clients that demand a more personal touch will create opportunities for new personas within the profession – as long as firms are prepared to think outside the box when it comes to their recruitment practices.

Firms have to recognise the importance of a diverse range of skills, characteristics and experience, such as people that are consultancy-focused and able to be the ‘relationship managers’ between firms and clients. Acknowledging that the way firms work with clients has changed and what it means to run a modern, professional accountancy practice can help firms redefine their recruitment practices and identify the next generation of accountants.

Take advantage of technology

With technology adoption taking place at a faster rate than ever before, the accountants of the future will have to be much more digitally-savvy than their predecessors. The sector has already recognised this demand, with **40 per cent of UK CFOs** in a recent survey saying that more focus is being placed on skills such as data analysis.

However, many accountants are still lacking the digital skills that will be required over the coming years. Helping employees to be more comfortable with modern innovations and supporting them as they build these new skills are both extremely important. Not only can this boost the confidence of employees, it will also give the workforce new skills they can take out to clients.

What’s more, adopting a technology-first mind-set will make firms more appealing to potential employees and will put them on a par with their blue-chip competitors. In a world of digital dependency, it will go a long way towards attracting and retaining digital-first colleagues.

Focus on the employee experience

While the client experience is an increasing focus for businesses, the notion of the employee experience is still catching up. In fact, **almost half (47 per cent) of respondents to a Sage workforce survey** said they’d never been asked by their employer how they can improve their work experience. For employees, this implies that their company isn’t interested in what they have to say. In the worst case scenarios, it can even lead to demotivation and ultimately prompt colleagues into looking for new opportunities elsewhere.

But what do today’s employees actually want? 81 per cent of respondents to the same survey believe flexible and remote working is very important, while being valued and recognised is seen as the most important aspect of employment for 66 per cent of employees. What’s more, positive workforce experiences are important to 92 per cent of employees, which highlights how imperative it is that firms take this into account if they want to hire the best and brightest – and keep them.

Of course, accountants also want to be able to help their clients. Empowering accountants by giving them the right tools to carry out their roles effectively, is therefore a great way of ensuring that their working experience is a positive one.

As the accountancy world continues to evolve, many of these factors will be essential to the accountants of the future. By providing clear development opportunities, focusing on the needs of employees and looking to recruit a new range of skills, firms can put themselves in the best position to attract and retain the right talent – both now and in the years to come.

Accounting firms are micro communities where accountants can build a culture and help colleagues to feel at home:

- ✓ Work on creating a community, both in person and through technology
- ✓ Build a great culture that breeds work and outstanding client service

Chapter 2: *Modernising culture, mind-set and relationships*

Time is literally a-changing in the world of accounting. From the increasingly prominent role of technology, to shifting client requirements and the need to provide an expanded range of services, transformation is everywhere. And as the profession evolves and matures, so too must the way firms do business, enabling them to keep pace with their competitors and meet both employee and client requirements.

The relationships accounting firms build with their employees and clients are now more important than ever, especially with a new generation entering the workforce. Planning for both a multi-generational workforce and client base, as well as finding a niche for the practice, is therefore vital to honing skills and being competitive in a crowded business landscape.

The accountant's practice of the future needs to be shaped and moulded – waiting for it simply to happen is not an option. A change of mind-set and culture within accountancy firms is now a pre-requisite to ensure success both for today and tomorrow, primarily involving two key groups of people: employees and clients.

Prepare for an employee evolution

To ensure a competitive edge, accounting firms need to create the right culture and employment choices. This will include recruiting people who can wear multiple hats, possess the digital expertise that has come to be expected, and those with ambition. People who have the drive to become Partners and want to develop the project management skills needed to run a successful practice will be the ones leading the future of the profession.

Understanding what is important to existing staff is also essential, which starts by having an open dialogue. These conversations can help to shed light on different cultural characteristics of the firm, while also highlighting common discrepancies. For example, millennial accountants will naturally be more digitally-focused and used to collaborating with colleagues remotely when compared with the 'baby boomer' generation.

This disposition affects attitudes towards processes like bookkeeping and account management, as different generations will have slightly different ways of working. Understanding these types of disparities is key when it comes to shaping company culture and providing the specific support each employee needs.

Culture is built and changed by all team members. Get together, talk about what culture is be inspired, and work together to achieve and thrive.

Related to this is the issue of succession planning, which is important for supporting business intelligence, keeping the right skills within the business and maintaining service levels for clients.

With baby boomers approaching retirement age and more millennials entering the accounting workforce, firms have to be prepared for a transition to take place. Partners and Directors should be encouraged to mentor younger staff and develop them as leaders, while recruiting experienced accountants with the necessary skills to take the firm to the next level.

Finally, a change in mind-set around the use of technology is required to provide the culture that younger employees expect – and to add value for clients. Firms must be operationally prepared to enhance their technological capabilities, for example by automating data entry or investing in cloud solutions so accountants can be connected to clients 24/7. This mind-set will drive a different culture by unlocking new opportunities, providing new working practices and, most importantly, meeting the demands of the modern workforce.

Focus on the client experience

As well as focusing on what's happening internally, accounting firms also need to look externally. It's critical that they evaluate their practice to make sure they can build an energetic, forward-looking brand and deliver the experience clients now demand. According to [research from Salesforce](#), 81 per cent of business buyers believe the experience a company provides is as important as its products and services, while 67 per cent say their standard for what constitutes a 'good experience' is higher than ever.

These figures highlight just how important interactions with clients have become and how the traditional accountancy model is changing. Rather than focusing on being service-based – such as doing the numbers and completing annual audits – accounting firms need to shift their mind-set and practices towards providing a personalised and engaging client experience.

This means accountancy firms will have to learn how to work differently. Being able to move away from the transactional relationships of the past and instead offer a more strategic advisory service around areas such as business development and risk management can now be a key differentiator, and company culture plays a key role in realising this ambition.

Transforming relationships in accountancy requires this two-pronged approach, involving a focus on both employees and clients. Although achieving this is easier said than done, following a few simple steps can go a long way towards bringing about cultural, operational and technological change and driving effective transformation.

Brainstorm in your team on their experience of great customer service and discuss how is made them feel. Model that in your firm as you focus on client experience.

Invest in understanding what colleagues want

Gaining a better understanding of employees should be a key objective, as knowing what is important to them can help identify any cultural gaps. It can also provide clues as to whether people are resistant to change, or willing to embrace it. The employees that are passionate about transformation and want to take the firm to the next level are more likely to be the ones that will succeed in the long term.

Related to this are the challenges that some employees may come across when having to work alongside digitally-savvy accountants.

Related to this are the challenges that some employees may come across when having to work alongside digitally-savvy accountants. From a culture point of view, giving them support and creating an open, collaborative workplace is so important.

Incorporating an employee retention scheme, for example, can help to further encourage employees by incentivising good people to stay with the firm and help build a roadmap for the future.

Respond to changing client demands

When it comes to clients, attitudes towards how they view accountants are changing, with the Sage **2018 Practice of Now report** highlighting how the vast majority (83 per cent) expect more in terms of services and resources than they did five years ago. As such, creating a culture that encourages employees to really get to know the companies they are working with is essential.

Rather than just focusing on the bottom line, firms should promote the importance of understanding the client's journey, building trust and communicating regularly. Familiarising themselves with clients' unique business goals and offering bespoke services to suit their needs, requirements and budgets are also essential.

But this won't happen by itself. Firms have to adopt a more inquisitive and consultative approach to doing business, and question if their current approach really is the most effective.

Offer real choice

More than ever, it's vital that firms provide a range of choices to help differentiate themselves from the competition. Again, this applies to both employees and clients. For employees, this might relate to ways of working, or the adoption of specific solutions that give them additional insight into their clients' businesses and access to client documents from wherever they are.

Clients, on the other hand, will be more interested in getting the best value for money. Ultimately, they want to be able to choose how quickly they will have access to the knowledge their accountant holds and the different types of services they can make use of. By providing a tiered set of services – such as offering additional business development consultancy for higher paying clients – the client can choose which one they want, resulting in a personalised service and a positive experience.

Whether the focus is on employees or clients, offering choice will enable firms to pinpoint ways in which they should transform and provide solutions to help meet these needs.

Shift from redundant to indispensable

In an age where competition in the accounting profession is fiercer than ever, firms have to change how they operate in order to make themselves indispensable to their clients. They simply can't afford not to.

The culture of any firm must be focused on working as effectively as possible, modernising any legacy processes that are taking up too much time and holding accountants back from doing their job – such as manual data entry. To truly transform the way they service clients, firms must focus on the quality of work and the value derived from it, rather than just the number of hours put into each project. This may involve using technology to transform operations and internal processes, moving away from the 'timesheets mind-set', or simply changing the way they interact with clients.

Ultimately, accounting firms have to make themselves a part of clients' businesses, but the culture has to be geared towards this outcome. By doing so, their employees will be able to concentrate on building profitable, long-term relationships and ensuring indispensability.

Don't stand still

One of the biggest considerations when it comes to company culture, is to be prepared for constant change. From the rapid growth of new technologies, to an evolving workforce and a myriad of external pressures, the accountancy sector has a huge amount to deal with. Whether this excites or terrifies, it's not a trend that is likely to disappear any time soon.

As such, firms can't afford to stand still. Senior management has to constantly be thinking about how employee succession will be managed, how they can retain the company's values and what they need to do to create a culture of commitment and performance. That way, the relationships firms have with their clients will be positive, long-lasting and profitable.

Building a great culture and client experience doesn't just happen, it takes work, but we all know it when we see and experience it. Focus on how you felt when you received great service and bring that feeling to life in the culture you build in your firm.

Chapter 3: *Riding the digital wave: ensuring transformation readiness*

With the recent rapid advancement of technology showing no signs of slowing down, there can be no ignoring the technological change currently taking place in the accounting profession. The big questions for accountancy firms are: do they have an understanding of what's on the horizon and do they have a plan in place to keep themselves ahead of the curve?

For the vast majority of firms, technological innovation will play a major role in any transformation and the good news is that more accountants than ever are embracing the digital revolution.

According to the **Association of Accounting Technicians (AAT)**, the vast majority of accountants (89 per cent) believe technology advances are a positive for the profession, while 75 per cent say technology has either made their job easier, or freed up time to concentrate on more interesting things.

Looking forward, advanced technologies such as artificial intelligence (AI) and Blockchain will start to play more prominent roles and provide much needed productivity and auditability benefits that will help firms move their focus away from admin. Key accounting tasks related to audits, payroll and tax are **expected to be** fully automated with AI-based technologies by 2020. Therefore, understanding the strengths and limitations of this technology will be key in ensuring its adoption, as AI helps firms automate basic tasks and augment the human role through higher-level activities such as business planning.

For example, AI tools can be used in accounts payable and receivable to match purchase orders and flag invoices for payment. It also has a vital role to play in generating annual or quarterly reports for clients. By carrying out many of the time-consuming tasks such as exporting data and running calculations, reports can be created significantly faster and more accurately, adding value to both accountants and their clients.

Be focused and don't be technology led - buy technology enabled.

Forward planning

In order to stay ahead of the curve and remain competitive in the long term, firms will have to develop a practical understanding of exactly how next-generation technologies can streamline their operations (e.g. by eliminating data-related tasks such as transaction coding) and empower their workforce (e.g. by allowing their accountants to spend more time in business management roles).

They will have to consider the different ways in which the likes of AI and Blockchain could be implemented, how they will complement existing solutions and where the potential risks might come from – and they need to do this now.

Firms will also have to pay attention to how their clients engage with these new technologies. For example, in the future a greater number of clients may start considering initial coin offerings (ICOs) as a potential method of raising funding. This means firms will have to understand the technology in order to offer suitable guidance. If they don't, clients will simply end up moving to firms that do.

In the short to medium-term, the emphasis should be placed on mastering and investing in the right cloud technologies to help firms work in smarter, faster and more efficient ways. This may include deploying solutions that provide constant access to live client data, or equipping accountants with powerful reporting tools that provide opportunities to offer clients strategic, forward-looking advice.

To take advantage of these opportunities, firms will have to be proactive in how they provide ongoing support. This applies to both clients and employees, as clients may require education around how they could transform their own processes, such as adopting cloud technology.

The new norm

Embracing digital innovation is what clients and employees now expect. Clients are already looking for their accountants to provide value-added services and inform business decisions, from growth strategies to pricing models and risk identification.

At the same time, today's generation of employees expect the technology they use in their personal lives, to be part of their business lives. The accountants of the future – led by the millennial generation – have grown up surrounded by innovation and are typically technologically literate from a much younger age than previous generations. As a result, they place significant value on technology in the workplace. Becoming cloud-enabled, automating processes and using mobile technologies to support flexible working are now necessities.

Firms will also have to realise that satisfying the digital needs of employees may require them to transition away from traditional workplace practices. In a recent **Sage survey** of millennial entrepreneurs, 41 per cent said they believe technology will make the concept of "your desk" defunct within the next ten years, highlighting how important the likes of mobile technology will become.

This means there's no time like the present to start preparing. In light of these trends, being operationally prepared to transition to a modern way of working should be the primary aim of any 21st century accounting firm.

1. Understand the role different technologies can play

With so much innovation taking place – from optical character recognition tools streamlining data entry, to interactive reporting dashboards allowing data to be presented in new ways – it's easy to get overwhelmed and confused about where certain technologies can have the biggest impact. Investing in the wrong type of technology is also a very real danger, which could end up being extremely costly. Sooner or later, the firm will have to start spending again on the correct tools, on top of any re-engineering work that may be required to mitigate the previous investment.

It's therefore vital that firms put an emphasis on education so they can build an understanding of exactly what different technologies do, the benefits they provide, and which processes they can improve.

Industry events such as **WCOA**, **Accountex** and the **Future of Finance Summit** (UK), or **AICPA Engage** and **IMA's Annual Conference** (US), will go some way towards helping firms discover the latest products and trends. Not only do these events offer attendees the chance to hear from the profession's leading innovators, they also provide opportunities to talk to other accountants about what has worked and the mistakes they have made.

2. Focus on the business goals

When it comes to digital transformation, a 'one-size-fits-all' approach simply doesn't exist. For both long and short term goals to be achieved, firms will have particular technological gaps that need to be addressed. In order to get the most out of their investments and help them progress to the next stage of digital maturity, solutions have to be specifically chosen with these technological needs – and the firm's wider objectives – in mind.

For example, a firm might want to enable its accountants to access client data when working remotely, or transition away from face-to-face meetings to a greater reliance on remote videoconferencing. Whatever they may be, focusing on individual business goals – from increasing compliance to building new revenue streams – will provide structure to digital transformation strategies and help firms make sure they focus their attentions on the right solutions.

3. Stay one step ahead

New technologies become outdated quicker than ever before and this trend is likely to continue accelerating. As such, firms have to avoid just concentrating on what's happening in the present, and try to take more of a future-gazing approach. This may seem like a major challenge, but it's essential for any firm wanting to remain ahead of the competition and be prepared for whatever is on the horizon.

Thinking about what technological developments are coming next and how they may impact current ways of working will be key. Equally as important will be evaluating how future innovations could be used to improve the way clients are serviced and anticipate their future needs. After all, using technology to stay ahead of client demands will be one of the most effective ways of remaining competitive in the years to come.

But it's important to remember that adopting this visionary mind-set can't be the responsibility of just one person. Firms should encourage their entire workforce to always have one eye on the future and be constantly thinking about how they can transition to smarter, more efficient ways of working. That way, firms will be operationally prepared to respond to digital disruption and lead the profession in the technologically-driven world of the future.

Chapter 4: *Putting theory into practice: becoming the accounting firm of the future*

After examining the present state of the accounting profession, one thing we can all agree on is that modern firms certainly have their hands full.

From building a brand that will attract new business and talent, to plugging the skills gap and keeping pace with the biggest technological revolution the profession has ever seen – as well as turning a profit – there is currently a huge amount for accountants to manage.

Managing change is going to be a key skill.

Add in the breadth of competition accountants are now facing – the majority (67 per cent) of respondents to [Sage's 2018 Practice of Now](#) survey believe the profession is more competitive than ever – and this perfect storm of disruption becomes clear.

But what do all these factors mean for accountants on a practical level? How can firms respond to this increasing complexity? And how do they go about future-proofing themselves and ensuring that they remain competitive in the years to come?

To help answer these questions, we've identified four practical steps that accounting practices, large and small, can follow to help them move from redundant to indispensable.

1. Adopt a technology-first mind-set

The first step to putting technology front and centre is identifying someone within the firm who has the expertise to take responsibility for digital innovation. HR departments and team leaders will be able to offer advice on who may be suitable for the role, so

should be heavily involved in the process. Or, if no-one internally is suitable, this might involve recruiting someone new who can be dedicated to looking after the firm's technology strategy – for example a 'Chief Digital Officer' – with the specific experience and know-how to make a difference.

Firms should then review their key processes and identify how they could be improved by technology. For example, are employees spending too much time reconciling client accounts and, if so, could this task be automated? Speaking to employees will be key to identifying the processes that need updating, while additional insight can also be gained from speaking to others in the profession. Once any inefficiencies have been identified, firms should spend some time researching the different tools on offer, evaluating service providers and exploring potential solutions through free trials and pilot programmes, to ensure they are sufficiently educated on the options available to them.

This technology-first mind-set should also be taken out to clients. For example, firms can help businesses that are transitioning to the cloud by guiding them through the process, which would be especially beneficial for those that don't have the expertise in-house. Providing this added value training will serve as a competitive differentiator, as well as helping to foster long-term client relationships.

All staff members need to be working together to bring technology innovation to their daily work and to their clients. Talk with team members and seek their opinions and inspiration will drive change.

2. Invest in people

It's the people that will ultimately determine the future success of any firm, so they need to be equipped with the knowledge to take their firm to the next level. If firms want to grow and retain their talent, they have to be prepared to invest in the development of their workforce.

One way of doing this is to offer regular training through education providers like **AVADO** in areas such as SOX and CASS compliance. But the courses provided can't be picked at random. There has to be a structure to the process so that everyone in the firm has the same opportunities to develop. Firms should devise a formal training programme and frequently review it to check that it fits with general trends in the profession, as well as wider business goals.

Before this can happen, HR personnel and team leaders have to understand the workforce they are investing in. Developing a Culture Assessment Plan, for example, can help collect feedback from employees on the areas that need to be improved, the issues that are most important to them and where investment should be focused. Going through this process will help firms be efficient with their investments, as well as allowing them to be 'talent magnets' and cultivate an organisational culture that supports long-term personal growth.

Give team members a sense that they are building a business together and talk openly about progression plans and opportunities.

3. Become a '365 firm'

One factor that can't be ignored is that the focus of modern accounting firms has to shift to becoming an extension of their clients' management teams. Clients are no longer satisfied by just knowing the numbers, they want to receive additional insight into what those numbers mean for the future of their business. Accountants should therefore be encouraged to take a proactive approach to client servicing and build "clients for life", rather than only focusing on periodic transactions around tax time.

Services related to 'management accounting' and 'management support' should be made central to any firm's offering. This consists of preparing and interpreting accounting information such as forecasting and budgeting - along with analysing strategic options, benchmarking performance against the wider industry and carrying out risk audits.

One way for firms to establish this more strategic approach is to replace the traditional 'billing by the hour mode' with access level agreements, enabling clients to select the level of service they want to receive. Technology adoption will also play a key role in enabling accountants to provide the aforementioned services. For example, firms should promote the use of cloud-based packages that link clients to their online bank accounts, automating the importing of bank transactions. This provides real-time visibility into clients' finances, allowing firms to set achievable goals and reinforce their role as a proactive advisor. Automating process also gives accountants more time to really get to know their clients and become the trusted confidant they are now required to be.

Relationships are everything. Make sure you know what your client's goal and aspirations are and work with them to help them achieve it.

4. Carve out a niche and excel in it

With competition in the accounting profession a key concern, firms have to find a way to differentiate themselves in order to help foster new client acquisition and drive long-term profitability. As a starting point, firms have to gain a better understanding of their business landscape by breaking it down into three components: marketplace, clients and competition.

Understanding the marketplace involves observing and recognising broad trends, such as an increase in M&A activity. Understanding clients, on the other hand, requires firms to dig deeper than just asking them what they want. It involves learning as much as possible about their behaviours and uncovering their biggest pain points. The final step is to evaluate the competition by analysing factors such as how competitors are positioning themselves, innovative approaches they may be taking and whether any new firms have entered the profession.

Going through this process will help firms identify where the potential opportunities for differentiation may lie. They could then decide to specialise in a particular industry, such as healthcare, or use recruiters to help them hire someone with skills in a specific area of technology to build a new service. If they choose the latter, firms should establish team leaders to take ownership of the project and build a team of people that have the skills and passion for the new service. Whatever route firms decide to take, giving clients a compelling reason to select them will help ensure future success.

Ultimately, the key thing for accounting firms to remember is that although the disruption in the profession may seem daunting, it also presents a huge number of opportunities. By embracing the challenge and following the practical steps outlined above, firms will be able to adapt to today's shifting landscape and make themselves indispensable to the future of accountancy.

To find out more about how Sage can support accountants visit [here](#)





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