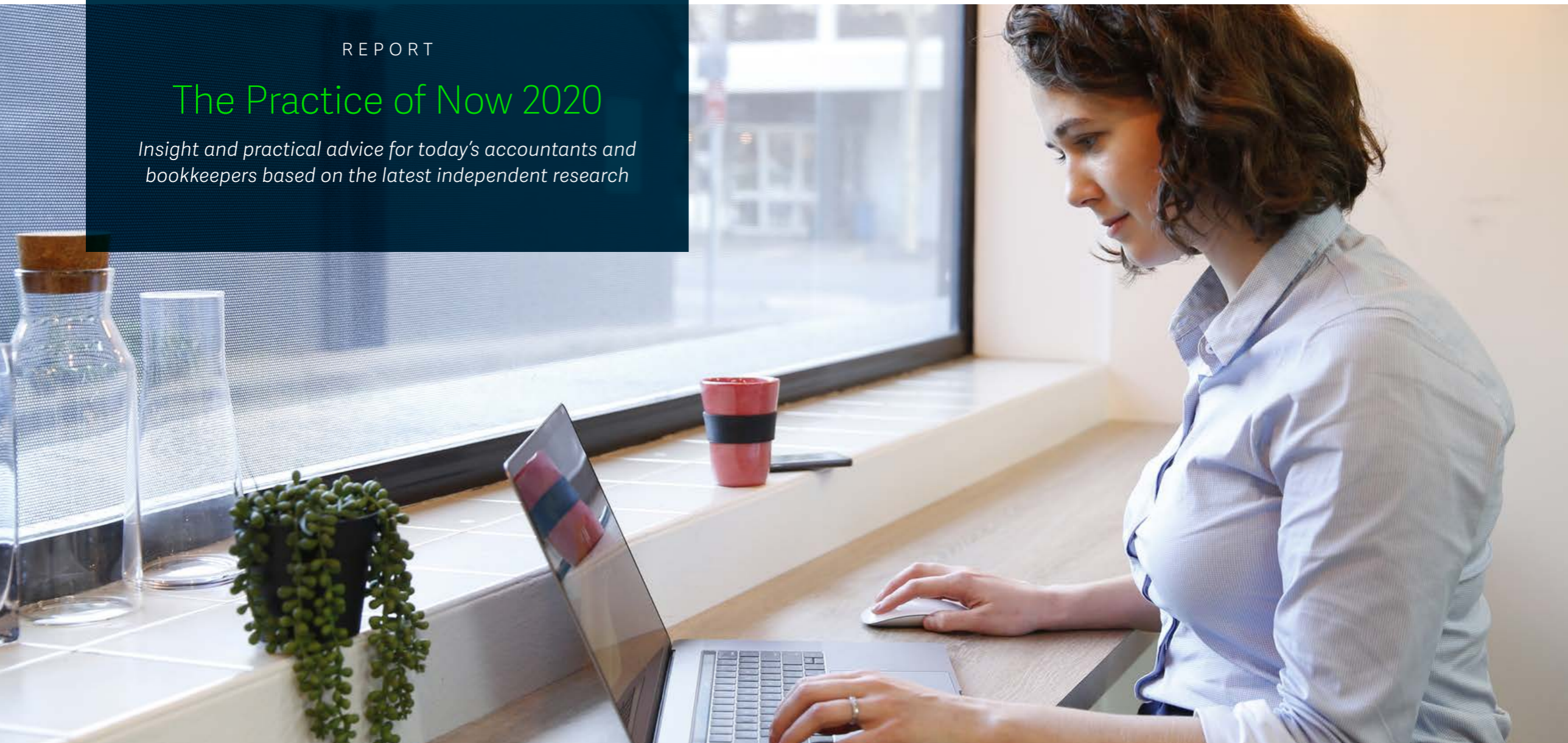


REPORT

The Practice of Now 2020

Insight and practical advice for today's accountants and bookkeepers based on the latest independent research



Contents

Introduction	4
Part 1: An industry on the brink of positive change	7
Part 2: Understanding your clients	15
Part 3: Staying ahead of client needs	24
The view from the UK	29
Conclusion: Are you ready for business?	39



The world faces extraordinary challenges in 2020. As an accountant, you are providing guidance and reassurance to clients struggling to adjust and maintain continuity, in what can only be described as unprecedented times.

The Practice of Now 2020

The Practice of Now 2020 illuminates the positive ways in which your profession was evolving before coronavirus; it depicts a different kind of profession emerging. It is one in which, accountants and bookkeepers are reinventing their use of core technologies, recruitment tactics and skillsets to offer clients a complete, 360 service for their business.

As you navigate the current climate and strive to respond as effectively as possible to client needs, the findings of this survey will not only resonate, but aid your progress and innovation.

Now in its fourth year, the Practice of Now research provides an in-depth understanding of the global accountancy landscape.

3,298 Accountants can't be wrong

To build this state-of-the-industry report we spoke to 3,298 accountants in practice from across the globe, forming an independent view of the industry – and one told by the people that live, breathe and shape this profession every day.

Throughout the report you will find verbatim comments from real clients of accountants around the globe too. We have, of course, anonymised them. But they provide valuable perspectives on the pain points, expectations, and real-life demands that clients place on the people they trust with their business finances.



Introduction

The majority of accountants (54%) provide clients with a faster service thanks to technology, while 43% believe it means their client service and satisfaction has improved.

The accountants we spoke to in late 2019 painted a picture of an industry on the brink of positive disruption.

The survey shows that not only do clients increasingly expect business and strategy advice that is far beyond the usual core remit of accountancy and bookkeeping services – but that accountants are responding to the need for a diversified service menu.

It is logical to suggest that this prominent trend – of clients' needs and expectations driving innovation – will arguably only be accelerated by coronavirus. Clients around the world are seeking advice on how to comply with emergency legislation, utilise government assistance, decipher leave entitlements and wage subsidies, as well as solve cash flow issues.

We know that accountants are best-placed to address these new, urgent needs, an assumption based on the fact that accountants were already pivoting from traditional service models at the beginning of 2020, and utilising new technologies, prior to coronavirus. However, while we can draw inferences from the survey, we cannot definitively measure how much further coronavirus has accelerated trends until we see settlement into the 'new normal'.

Your industry is changing....

It is clear that accountants and bookkeepers are disrupting their industry – and the innovation taking place is not only inspired by technological developments, but a new mould of client.

Clients increasingly want and need their accountants to provide a 'core+' service. Accountants are responding; upskilling in-house, recruiting non-traditional specialists, and embedding technology at every level, in order for this expansive, alternative accounting framework to be delivered.

At a base level, this 'plus' service is characterised as agile automation to keep pace with prolific and complex changes to government regulation and law. And at the boundary-pushing level, it is the flexi-creativity to push past what is expected to find new ways of serving clients.

“Our accountancy firm is well equipped on advising in areas beyond core accounting. We expect them to advise us on several areas such as legal, technology and on any expected changes that are needed for a better outcome.”

In-house finance director, medium-sized manufacturer, Canada





Those who need transport think first of Uber or Lyft, rather than hailing a taxi. Those looking to arrange holiday accommodation turn to Airbnb, as much as they would to a hotel booking website or travel agent. And, of course, those looking to make a consumer purchase over the past decade think of Amazon first, and their local shopping mall second.

We have seen whole industries disrupt themselves, and accountancy is no different.

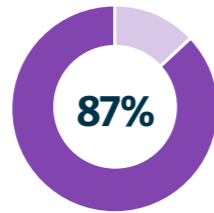
We need only look at IBM, which switched from selling hardware to becoming a management consultancy. Or Microsoft, which switched from selling boxed software to cloud services. These companies listened first, and then they built on their existing offering to provide a compelling new proposition to their clients.

By and large, our survey shows that accountants were already responding well to client-centric disruption. From assessing quickly shifting market conditions and altering business practices to match, the foundations are being laid for personalised one-on-one experiences, responsive client service and connected experiences across channels.

Our survey findings read through the lens of an unprecedented event that has had seismic impact on industries of all sizes, a stark reminder that accountancy practices who are quick to respond and innovate, will only grow and thrive.

Part 1:

An industry on the brink of positive change



87% agree that clients expect more flexibility and better service levels from accountants, without an increase in their rates.

As more clients move into 2020 and beyond with formal digital transformation strategies, they will expect their business partners to work in a similar fashion.

And so, accountants are exploring new ways to remain relevant not only in the eyes of the client – but to the next generation of millennial and Gen Z accountants.

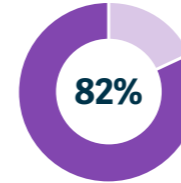
Those recruits with a digitally focused skillset will be attractive for a client looking to modernise and remain current.

In that sense, investment in not only the right software, but a technologically literate team, is no longer a nice-to-have but a necessity if accountants are able to transcend the perception that they are simply number crunchers. This stereotype is being made redundant by the following factors...

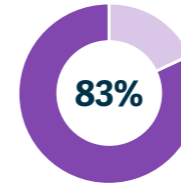




Ongoing digitalisation



According to this year's research, 82% agree that client expectations of accountants and bookkeepers have widened to include services such as advising on relevant finance and accounting technologies.



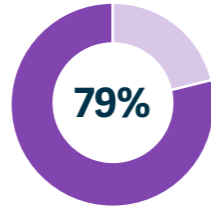
83% of accountants agree that new technologies and a culture of digitalisation means they have had to invest more, and quickly, in order to keep pace with the market.

For clients, technology's allure lies in its propensity to meet the needs of their modern business. Clients increasingly expect a natural synergy to develop between tech and service providers – and this includes accountants.

“Our accountant has been flexibly adapting to technology. This has been delighting us and they have definitely elevated the quality of their work with the proper utilization of technology.”

CFO of a small US based construction business

Changing regulations



79% of accountants agreed that regulations from government, industry, and international bodies are forcing changes to working practices.

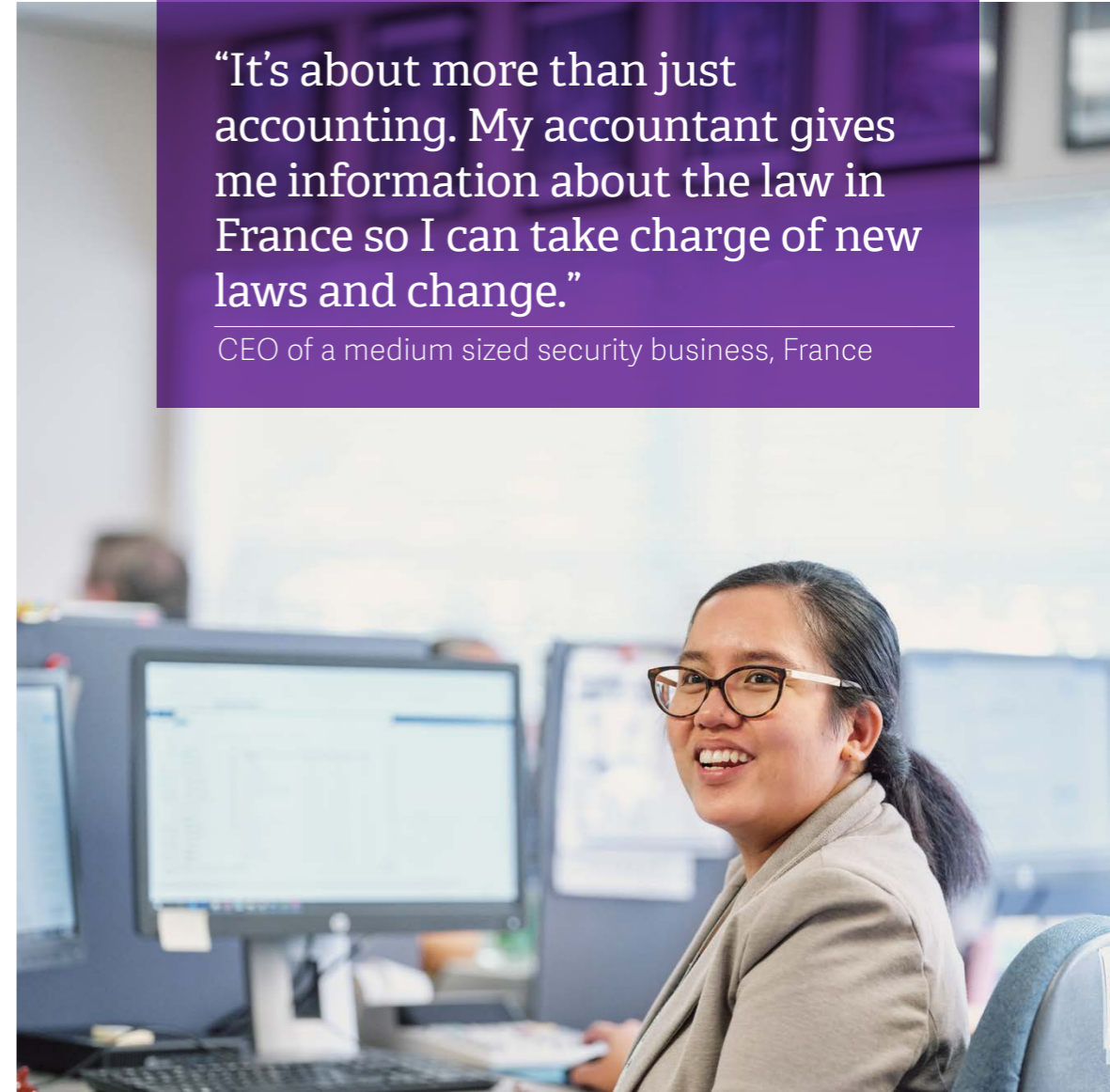
Around the world, the amount of legal requirements that clients deal with – and that accountants might be expected to assist with – are expanding exponentially. The regulatory changes often require a substantial increase in manual workload if the relevant technologies and systems are not put in place to cope with, or indeed to automate them.

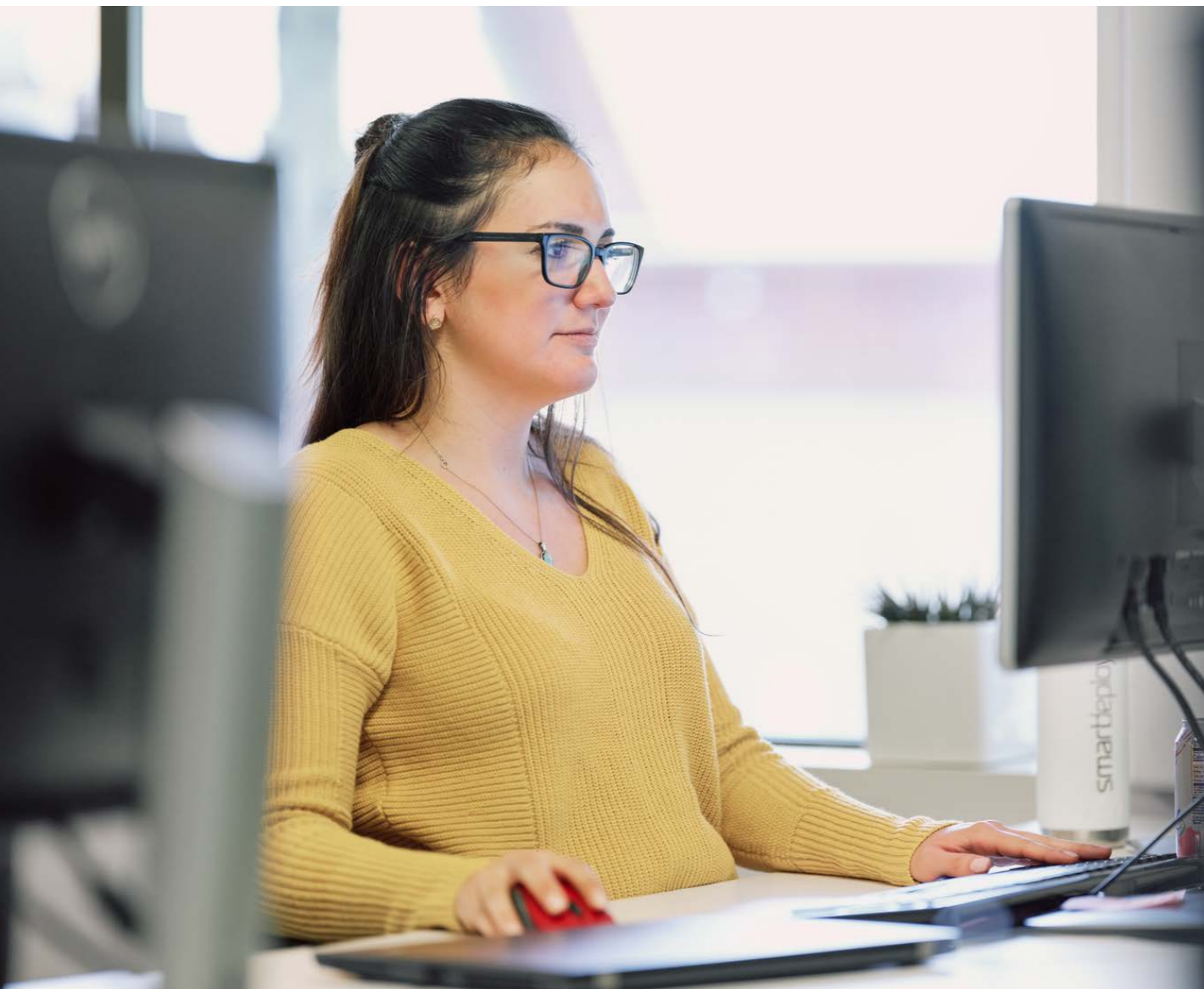
Whether it's the inevitable digitisation of tax, new data protection rules, or simply changing requirements within core competencies such as tax planning or payroll, the accountant is considered the de facto source of guidance. Of course, across 2020 there's also been emergency legislation and subsidies put in place, all measures to help struggling businesses.

Accountants are required to establish new procedures if they are to ease the manual burden and improve efficiencies, potentially scale up their offering, and offer a high-quality service to clients.

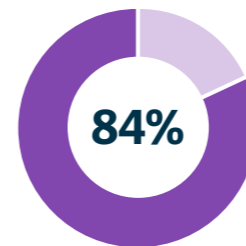
“It's about more than just accounting. My accountant gives me information about the law in France so I can take charge of new laws and change.”

CEO of a medium sized security business, France





A new generation



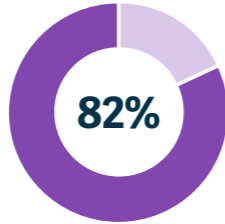
84% of our survey respondents agreed that as 'digital natives', prospective employees from younger generations have progressive expectations, attitudes and talents that will need to be reflected and nurtured by accountancy firms if they hope to attract them.

The strength of millennials and Gen-Zers – considered to be those whose adulthood began in the 21st century – is in their ability to embrace change; a prospect which older generations might typically be more resistant to.

Whether it is implementing cloud-based solutions, digitising workflows and finding technical solutions, or reaching new business in alternative spaces, this generation is a crucial asset for traditional accountancy firms looking to evolve in tandem with the digital landscape.

Not to mention, Gen Z and millennials are positively characterised as inherently diverse, inclusive and entrepreneurial – traits that any practice would like to be associated with.

Client expectations



82% of accountants in our survey agreed that clients are demanding a wider service offering, regardless of any technological or societal factors.

This demand is perhaps driven by client's newly acquired tools of analysis that provide detailed insight into their finances.

It's also likely that the time and interpretative skills needed to use these tools effectively, prompts clients to delegate the task of business analysis to their accountants.

On top of the routine year-end and tax services, the modern, multi-focused accountant provides a wealth of experience and strategic consultation and keeps clients' businesses not only functional and compliant, but attune to new opportunities and growth.

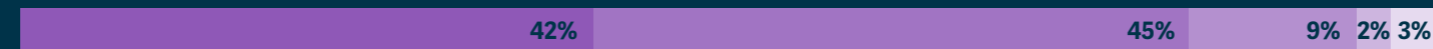
“I’m always teaching or running a class. I don’t have the freedom to be sitting around looking at admin all day. So, it’s important I trust people to know my business and where I want it to go. This is important for them and for me. It’s got to work both ways.”

Owner of a small UK based fitness business

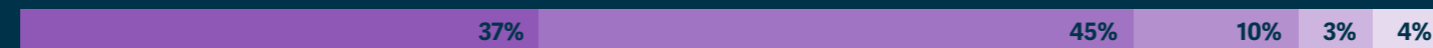


Looking at the past three years, to what extent do you agree with the following statements on how external factors have impacted working practices and culture in accountancy?

Clients expect greater flexibility and better service levels for the same fee.



Client expectations have widened to include services such as business advice.



Prospective employees from younger generations have different expectations and attitudes, forcing change to attract the best talent.



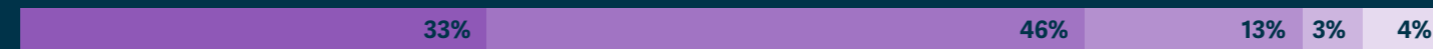
Client expectations have widened to include services such as advising on relevant finance and accounting technologies.



The ongoing effects of technology and digitalisation means we have had to invest, more and faster, to keep pace with the market.



Regulations from government, industry and international bodies are forcing change.



There have been little or no significant cultural or working shifts in accountancy.



Strongly agree

Somewhat agree

Somewhat disagree

Strongly disagree

No opinion



An accountancy practice is nothing without its clients, and these clients are driving a disruptive change because of external and internal influences creating new behaviours and expectations.

Core competencies are still required. But they are becoming increasingly commoditised as a sole source of revenue. What's required by clients is an increased range of service offerings, of which those competencies are just one part. An accountant that can advise on technology and digital transformation, on growth, and on compliance, is a much more valuable proposition to the client base.

Indeed, accountants appear to have a high level of preparedness for this demand, and are embracing the opportunity to become the change makers.



Chris Downing, disruption advocate, shares his views

“Put simply, ‘disruption’ is just another word for change. However, whereas you can plan for some types of change, you will cede more control to disruptive powers like technology, as it’s simply much trickier to anticipate what is going to happen next.

A highly rated accountant is always there for clients, regardless of unpredictable circumstances, and is doing his or her utmost to shape-shift with the moving parts of the industry. The accountant is both a sounding board and an inspiration for the client to be ambitious and take smart risks. At the end of the day, there’s a trust relationship. That will always exist. To what extent that trust is earned now depends upon the adaptability of the accountant.

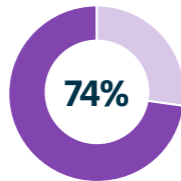
What I consider as a ‘disruptive’ accountancy firm is one that is proactively looking at how it’s going to drive change in the industry. I want to see firms which want to innovate as a positive force for good.

The most disruptive practices have got progressive people with ideas. They respect the existing accountancy model but are willing to experiment beyond the bounds of their comfort zone in order to deliver more services in a varied, more efficient manner that is exciting to clients.”

Chris Downing, former certified accountant, and director for accountants and bookkeepers, Sage

Part 2:

Understanding your clients



74% of accountants have formally reviewed their business practices in the last 12 months

This year's Practice of Now survey data indicates that the profession is by-and-large already responding to positive disruption.

The vast majority of accountants in the survey said they've reviewed their business practices in the last 12 months, which is a significant increase on the previous year when we asked the same question and found only 49% of respondents made the same assertion.

This year more than a third (35%) have reviewed their business practices within the last six months alone.

“I do feel our accounting firm is well equipped and has capable advisors in areas such as management consultancy, maximising profit, and cost reduction.”

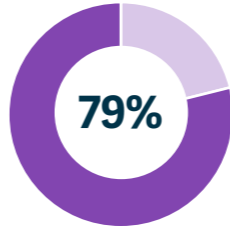
Financial controller, medium retail business, Canada



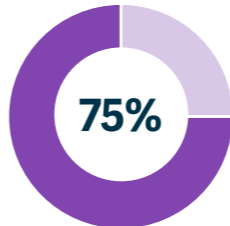


Accountants should take pride and succour in the fact that the industry as a whole acknowledges the need for review, and is proactively evaluating if people, processes, and systems are in a good position to capitalise upon change, rather than be negatively affected by it.

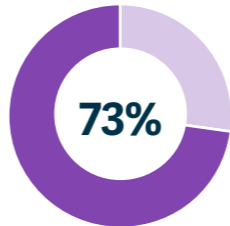
The data also indicates that there are admirable levels of confidence in providing advice in areas outside core accountancy and bookkeeping services.



79% of survey respondents are confident or very confident in providing business management and advisory services, such as marketing, cashflow, HR, people management, and growth modelling.



75% are confident or very confident in providing industry specific advice for clients, such as standard profit margins for their sector, client sector regulations, or recommended cash stockpile levels.



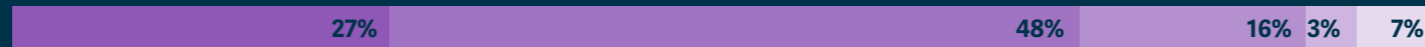
73% are confident or very confident in providing technology implementation and recommendations beyond accounting and finance, such as automation, robotic process automation, or timekeeping software.

How confident are you in providing advice in the following areas, outside core accountancy and bookkeeping services?

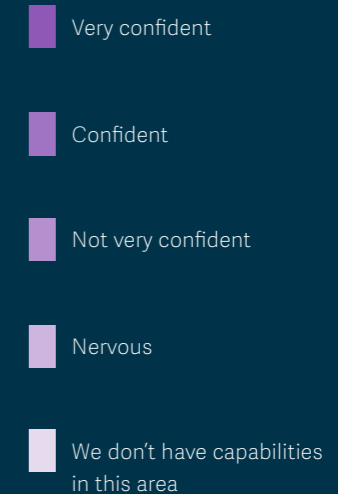
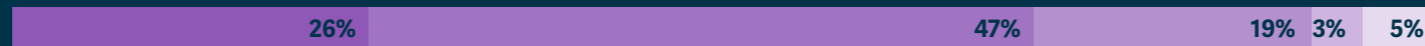
Business management and advisory (e.g. marketing, cash flow, HR, people management, growth modelling, etc.)



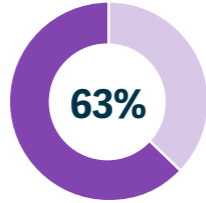
Industry specific advice for clients (e.g. standard profit margin for sector, client sector regulations, recommended cash stockpile levels, etc.)



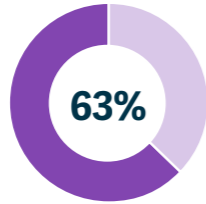
Technology implementation and recommendations beyond accounting and finance (e.g. automation, RPA, timekeeping software, etc.)



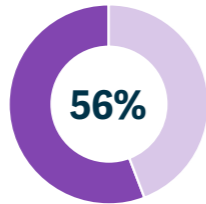
Accountants are taking active steps to broaden their expertise and to upskill, to meet transformational client demands.



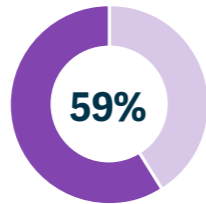
63% of respondents are either training or planning to train in the area of client service and management, for example. 20% are actively recruiting in this area.



63% are training or planning to train around financial business advisory services (such as cashflow, growth modelling, etc.) 17% are actively recruiting in this area.



56% are training or planning to train around project management skills. 19% are actively recruiting in this area.



59% are training or planning to train in the area of business management (marketing, operations, and so on). 19% are actively recruiting in this area.

The data certainly makes it clear that accountants are pivoting where required when it comes to employees' professional growth, in order to prioritise the needs of clients.

“We would definitely trust our accountants to advise us in areas such as investment planning. We would want them to advise us on managing cash flow.”

CFO, small construction business, US



“When selecting an accountant, we look at their experience, qualification, technological capability, credibility, and integrity.”

CFO, small construction business, US



Similarly, accountants are open minded to adopting technology where it will add value for internal processes and quality of services.

91% of our survey respondents believe new technology delivers value to their business, such as allowing them more time to focus on their clients, or to simply be more productive. This is a marked increase compared to last year when we asked a similar question and 83% of respondents expressed a similar sentiment.

Just 4% of respondents in this year’s survey believe technology costs them more than it saves.

When it comes to emerging technologies, our survey shows that accountants are knowledgeable, but don’t lack caution in implementation. Take 5G mobile data connections for example.

22% of respondents said they are already investing and leveraging the technology.



24% say they intend to in the next year.



21% intend to take action within the next one to three years.



It’s a similar story with technologies such as advanced and predictive analytics that utilise big datasets, automation (including robotic process automation - RPA), artificial intelligence (AI), the Internet of Things (IoT), and even human augmentation in the form of wearable technologies. Our data shows that all are on the radar for the vast majority of accountants, who believe they will have an impact on their own firm, or the accountancy sector as a whole.

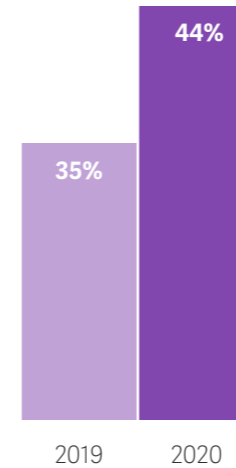
Even when the technology in question could be perceived as more futuristic, such as virtual, augmented and mixed reality, **only 21% of respondents refused outright to countenance it within their industry or firm.**

Which statement best describes your expectations for investment and adoption of each of the following emerging technologies, in the context of accounting?



“I used to have an accountant five or six years ago who was not IT literate and used to do everything the old-fashioned way, writing figures down on a piece of paper. I changed accountant to one who was more up to date. I think all accountants now need these tech skills, because this is the modern world. Everything is computerised now.”

Private individual with income tax reporting responsibilities, UK



Nearly half of all our respondents (44%) say they are early adopters of technology. This is much higher than when we asked this question in the previous year, at which point just 35% said the same thing.

Whereas a large proportion of accountants understand tech’s potential and are making changes in that vein, many perceive that, in their industry, the speed of adoption is too slow. 69% of respondents believed accountancy firms in their country need to increase the pace of technology adoption in order to stay competitive, ensuring a faster transition from theory to practice.

This marks an increase from the previous year’s Practice of Now survey, where 59% said that they believed other firms should adopt technology more quickly. It is important to remember that this belief might not stem from data but may be rooted in anecdotes and experience of the industry – which is not to say it should be discounted, simply that it is what accountants perceive other firms to be doing, rather than knowing for certain.



If accountancy firms are moving more slowly in digital transformation, then cost is the biggest reason, with 28% of respondents agreeing that the cost of new software and staff requirements, such as training, could be prohibitive. Indeed, 16% of survey respondents cited lack of training as one of the biggest reasons not to introduce new technology. Though, for clarity, these statistics represent a minority.

This year's Practice of Now survey does not detect any significant resistance to change. The industry is not only reevaluating its stance and is confidently exploring new avenues in order to keep pace with the market, but appears undaunted by the challenge. It is invigorating to know that your peers are taking the initiative in planning so creatively and laterally to meet client demands.

In the next section of this report we look at how practices can continue to stay ahead of the curve and create a practice fit for tomorrow.



AZ Zabala, passionate accountant evangelist, shares his views

“Accounting is numbers. Accountants know that, of course, but accountants also know that it is being more and more commoditised as clients are increasingly well-informed about solutions.

So, there is a need for better expertise from accounting professionals for the long-term – even after the troubles of this year and possibly the next.

Accountants need better tools and better information. Instead of just being the pocket CFO, where you count pennies, you also have to be able to look into the future and say, ‘This is what’s important and coming down the pike.’

What I’ve seen even before the events of 2020, is that accountants are increasingly becoming a business management hub. Our new client-base, the gig economy folks within the

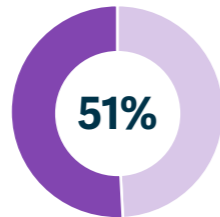
millennial or Gen-Z generations, are skilled at understanding what their business objective is – but they don’t necessarily have the know-how to run the business. And that’s where accounting professionals are becoming more vital.

Accountants used to have a core business function, but this is transitioning to become whatever a business needs assistance with.”

AZ Zabala, director of accountant solutions, Sage

Part 3:

Staying ahead of client needs



The majority (51%) of respondents believe accountants joining the profession today need financial business advisory skills (such as cashflow, growth modelling, etc.)

Preparing for the future is a basic requirement for any practice that hopes to grow and evolve, and this year's Practice of Now can help you to create lasting positive change despite fluctuating market conditions.

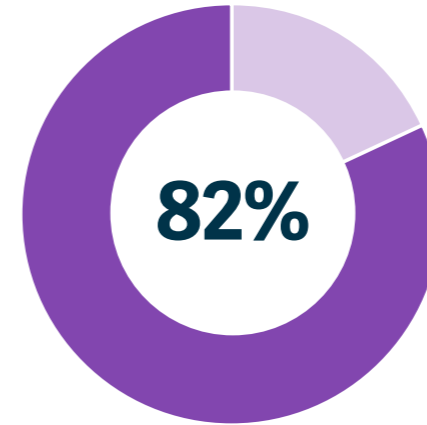
Practices would be wise to focus their mission through the following three lenses:

- 1. Your people.** Learning how to attract and retain talent from the Gen Z and millennial generation will add value to your modern business model and for your clients.
- 2. Infrastructure.** Implementing technology that saves time, increases productivity, and spots areas of opportunity or risk for your firm or your client is crucial for the future. This was once the calculator, and then it was the desktop PC, but now it could be a wide range of mobile devices or even wearable technology.
- 3. Client needs and expectations.** Ensuring you fully understand how the world looks from the perspective of your clients and building lasting value-packed relationships and tools based on this insight will ensure longevity of your practice.



“The most important factors [in a practice] are quality of work, good communication skills to communicate with the staff, good understanding of operating procedure, and business understanding.”

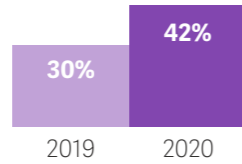
CFO, medium business consulting service, Australia



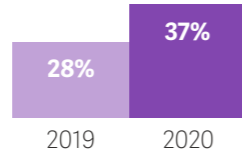
When it comes to revitalising the recruitment process, the news is very encouraging. 82% of firms say they are open to recruiting from a non-accounting background, such as project management or client services.

The majority of survey respondents (51%) placed financial business advisory (cashflow, growth modelling etc.) as the most desirable skill for a new hire, with technological literacy named second most popular requirement (43%), and client management third (34%).

There was strong recognition of the fact that company culture and benefits are key in attracting fresh talent to any firm. Flexible working practices (38% of respondents) was on par with reputation of the firm (37%), and salary/bonuses (36%) as the top three features important to attracting new talent.



In addition, 42% of practices said they are actively seeking to diversify their workforce – a significant increase from the 2019 survey, when just 30% reported the same thing.

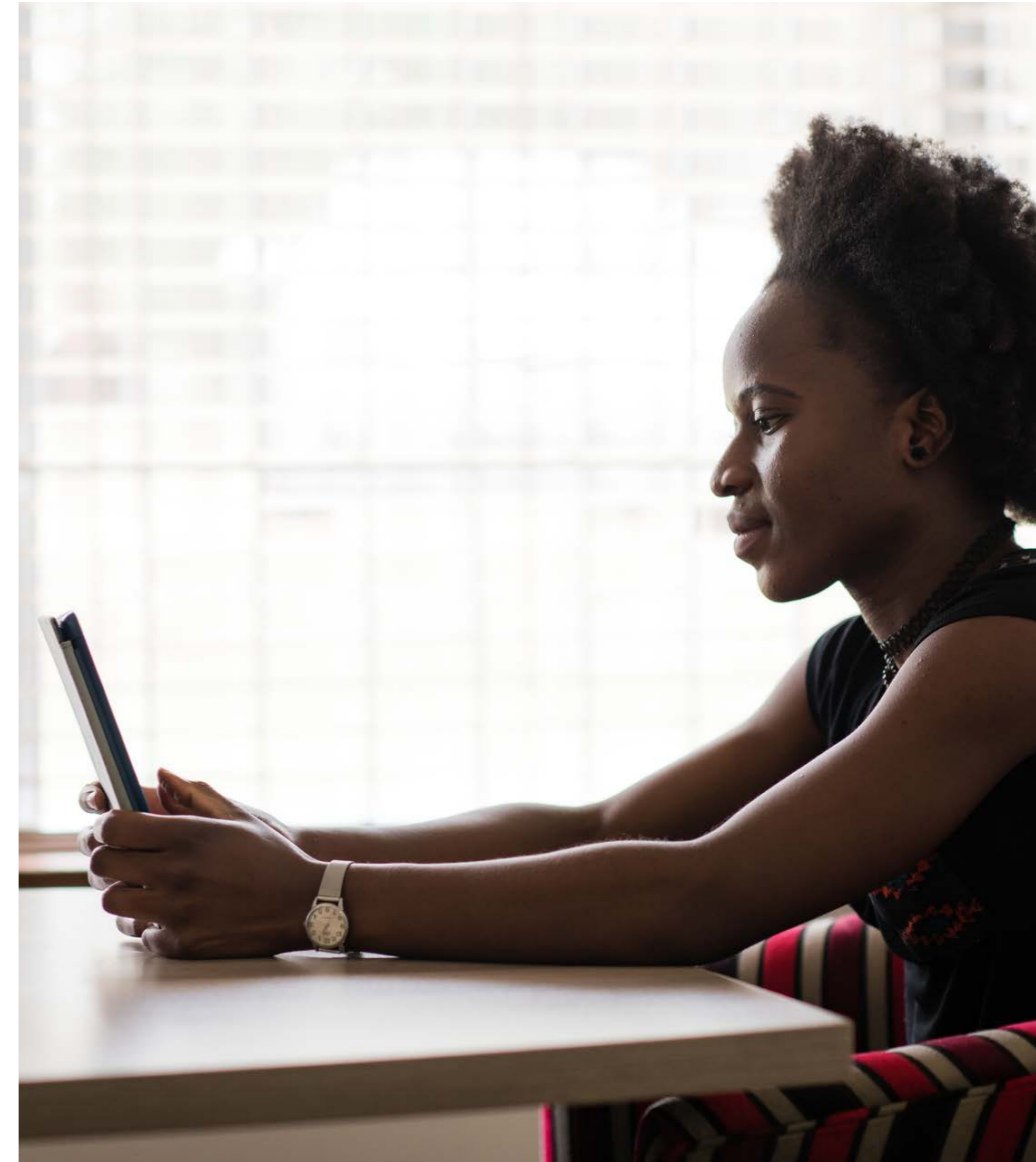


Similarly, 37% of this year’s respondents said they have a written policy or commitment on diversity and inclusion, which is a substantial increase compared to 2019 when just 28% reported this.

Together, this demonstrates that practices have acknowledged their employees as crucial to success within a potentially disrupted accounting landscape. A client requiring a broad range of service offerings best served by modern technology, are primed to trust you with the complete, 360 management of their business, if you are building a diverse and digitized workforce, and an expansive service menu to match.

“We expect our accountant to be tremendously good in interpersonal skills. The ability to communicate and interact with people helps to make things transparent and understandable in a better way. Technical skills and flexibility also keep us loyal to our accountant.”

Financial controller, medium retail business, Canada



“Technology nowadays is the most important factor that a company needs to have to stay constantly competitive in the marketplace. As every industry is having emerging technologies in their operation, accountants need to be comfortable with them.”

Financial controller, medium retail business, Canada



There is strong indication that accountants are already modelling themselves in this image, and tools such as AI and automation are no longer atypical in aiding progress.

Only 6% of respondents said they don't believe automation can help with any business tasks at their firm.



45% say they intend to automate repetitive, time-consuming accounting tasks, such as data entry and number-crunching.



40% say they intend to automate invoicing and accounts payable processes and workflows.



Technology is front and centre of positive changes to practice over the past five years.

58% of respondents said it had improved efficiency and productivity – vital for creating space for the additional service offerings clients demand.



41% said it had made their staff more competent and confident.



35% said updating their technology had helped them keep pace with client expectations and increased retention rates.





Jules Carman, diversity champion, shares her views

“Diversity is a hard question to answer, but there are some good signs. Partners tell me they’re doing a lot around diversity and inclusion, especially around allowing home working – accommodating people that have young children and allowing flexible hours, for example.

What’s driving it is digital transformation. As we’ve seen thanks to the extraordinary recent events, you can’t have home workers if you don’t have the tech to support it. If firms don’t start moving towards modernisation, then they’re simply not set up to keep pace.

There’s inherent value in a diversified workforce. Diversity gives you access to a greater range of talent and broader world-views that would otherwise be completely missed. This provides insight into the needs and motivations of your whole client base, not just a particular segment of it.”

Jules Carman, accountant alliances director, Sage

The view from the UK

In the UK specifically, Making Tax Digital (MTD) for VAT quarterly reporting and open banking, were reportedly top priorities for 2020 when the survey was produced before the COVID-19 pandemic, and new ways of working have been employed for – and resulted from – the early phases of their implementation.

As an addition to the findings from the report, we have included here commentary from several leading UK accountants, who share advice following the coronavirus outbreak. It is important to note, these anecdotes are not representative of the professional majority in the same way that The Practice of Now report is.

As you navigate the current climate and as your customers strive to reignite their businesses and look to the future, we hope that the findings of this survey and this additional guidance, will not only resonate with but aid your progress and innovation.

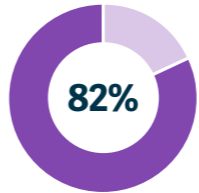




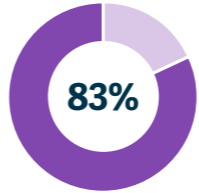
The positive impact of industry changes

The accountants we spoke to in late 2019, painted a picture of an industry on the brink of positive disruption.

The survey shows that across the globe, not only do customers increasingly expect business and strategy advice that is far beyond the usual, core remit of accountancy and bookkeeping services – but that accountants are responding to the need for a diversified service menu.

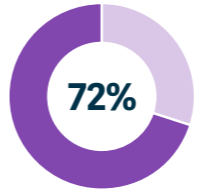


82% of UK accountants agree that customer expectations have widened to include services such as advising on relevant finance and accounting technologies.



83% also agree that new technologies and a culture of digitalisation means they have had to invest more, and quickly, to keep pace with market demand.

In the UK, it is evident that accountants are upskilling in-house and embedding technology at every level to prepare customers for the changes that they consider to be most significant; Making Tax Digital (MTD) for VAT and open banking.



72% of accountants listed MTD quarterly reporting as their first or second most important concern for 2020, despite certain aspects of it being postponed, due to coronavirus.

Managing director and founder of Goringe Accountants, Nicky Larkin, notes that there are indeed positive outcomes of MTD:

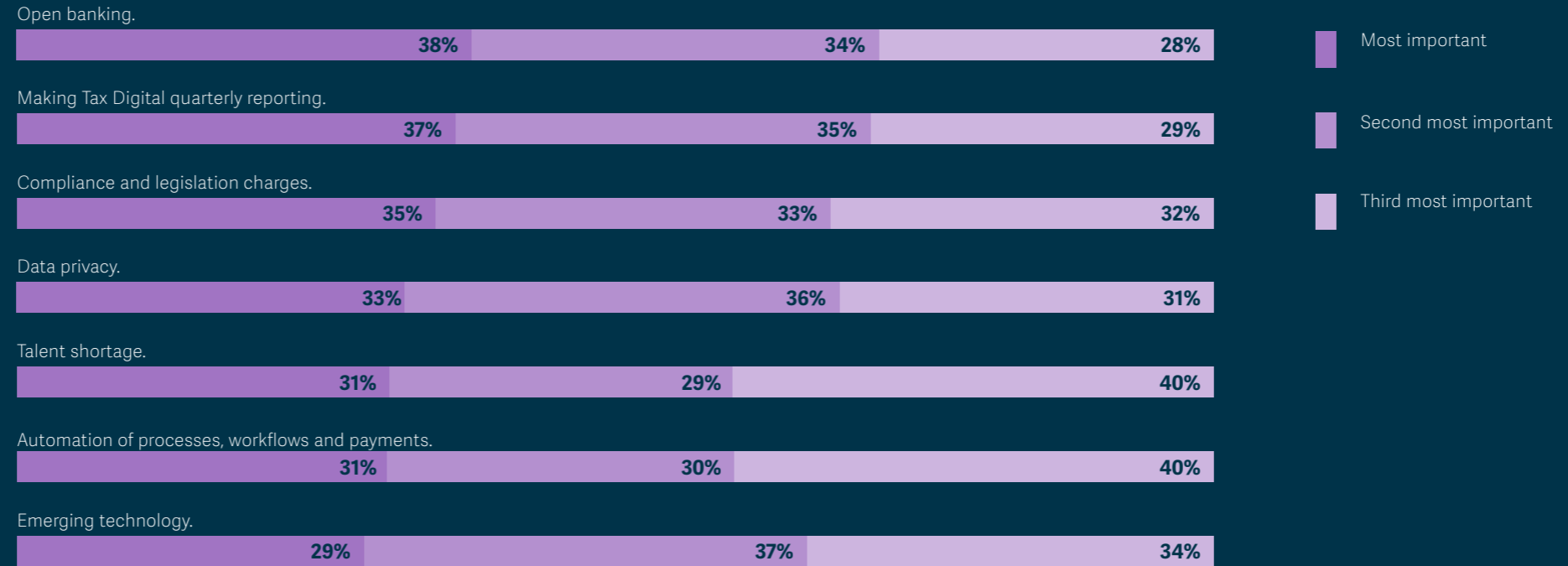
“Better year end compliance has been the benefit we’ve noticed most”, she says. “And it’s meant that HMRC isn’t charging surcharges for people who’ve been late.”

The introduction of open banking is another concern according to the survey, with 69% of accountants considering it among the most important or second most important change in the coming five years.

“For our practice, we make sure clients have good processes in place so they don’t transfer money when they shouldn’t”, says Nicky. “The worry that some clients have with open banking is associated with cyber fraud and most of our work is in ensuring customers speak to a known person beforehand, or implement a two-tier system where transfers have to be approved.”



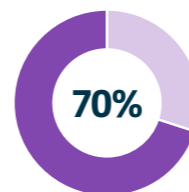
What are the biggest changes that will likely impact accountants in the next 12 months?



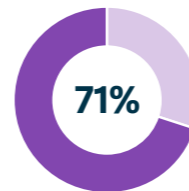


We know accountants are best-placed to serve these changes, an assumption based on the fact accountants were already pivoting from traditional service models at the beginning of 2020, and utilising new technologies to do so, prior to coronavirus.

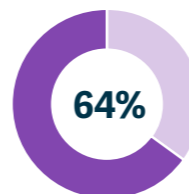
Despite MTD presenting a complex challenge for many practices, its implementation has meant that the day-to-day processes for many accountants and bookkeepers, have been upgraded to more efficient and effective digital ones.



In the UK, 70% of accountants say decreased manual data processing has been among either their most important or second most important positive outcome of MTD preparation.

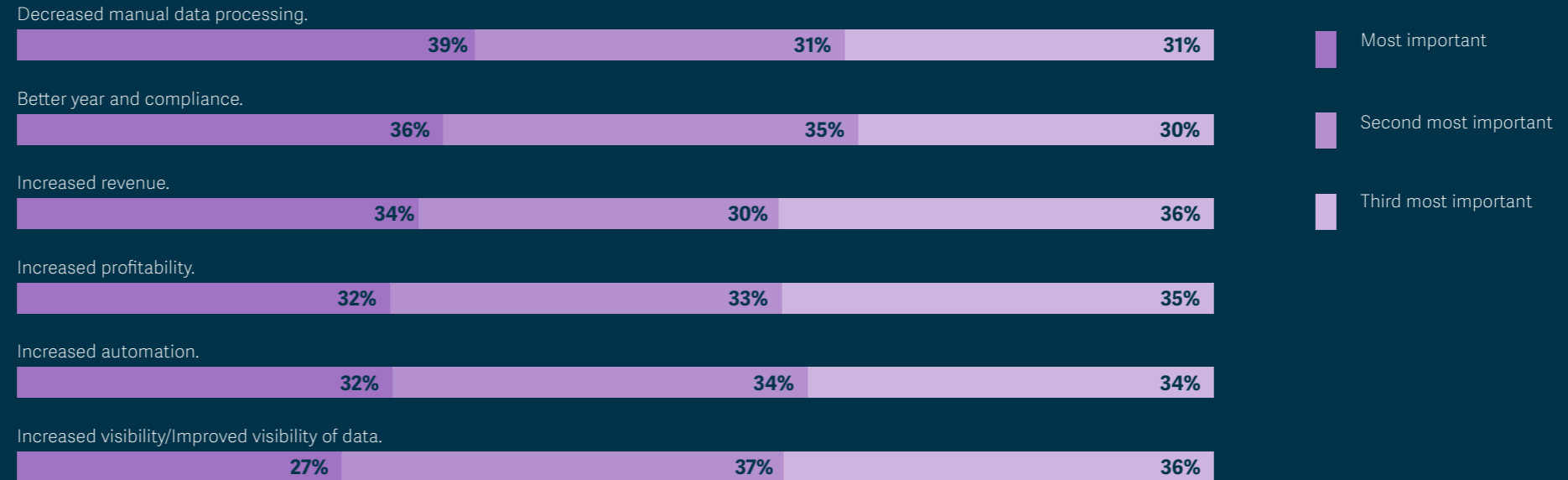


Meanwhile, 71% say that better year end compliance was either the first or second most important positive outcome.



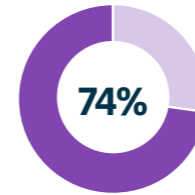
As a result, 64% of accountants reported increased revenue as a knock-on effect of improving their tools and ways of working.

What were the positive outcomes of Making Tax Digital for your practice?





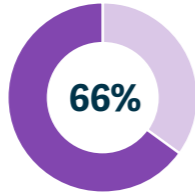
An automated future aids productivity and work/life balance



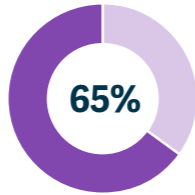
The majority of UK accountants (74%) say the most important focus for their practice is training and upskilling employees, and consider it even more important than attracting new business (69%).

Julia Wedgwood, former bookkeeper and now Product Manager for accountants at Sage, examples the growing importance of practice automation in freeing employees to train in more lucrative areas, aiding productivity and unlocking new client services in due course.

“I recently spoke to a practice that had automated their online bureau for payroll,” she says. “I asked them what they gained, and they said they were able to take somebody from payroll processing and train them up in tax preparation. That’s a higher value service. So, they’ve saved money on payroll and also increased their practice effectiveness.”



Indeed, 66% of practices say that increased automation was the first or second most positive outcome of implementing the Making Tax Digital process.



Similarly, 65% stated that the automation of processes, workflows and payments were among the first or second most important considerations for accountants in the next five years.

There are also other personal benefits to automating services. 61% of accountants said that spending more time with family and on non-practice activities were the first and second most important outcome of better productivity through automation.

“I travel around doing roadshows explaining the benefits of automation and showing what it can do. We always ask accountants: ‘If we could give you a week back via automation, what would you spend that time doing?’ And the answer is nearly always what the survey says here – things not associated with work.”

Julia Wedgewood, product manager for accountants, Sage





Adapting to current events

Since the Practice of Now report was put together in late 2019, accountancy practices across the UK have been required to embrace a working-from-home culture and simultaneously deliver unprecedented value to customers.

It is logical to suggest that one of the prominent trends revealed in the Practice of Now report – of customers' needs and expectations driving innovation – will arguably, only be accelerated by coronavirus. Customers around the world are seeking advice on how to comply with emergency legislation, utilise government assistance, decipher leave entitlements and wage subsidies, as well as solve cash flow issues.

Nicky's priority during this time has been to provide support free-of-charge, where necessary – creating webinars, and emails, which were open to any type of business, around complex and thorny topics, such as applying for emergency government schemes.

She says it will not only help to retain customers but is the morally right path to take. "It is the wrong thing to bill clients who are obviously struggling," she says. "From a long-term position, if taking this approach means our clients are still going to be around in a year's time, so that they remain our clients, I think it's worth doing."

It is challenging at times, but there are opportunities to come out of COVID-19, she says.

“We want to make sure the practice comes through successful on the other side. We want to come out of this learning positive things from it to make us an even better business.”

Ongoing advice for practices

As part of her role within the wider UK accountancy community, Julia continues to advise practices on how to support clients during the disruptive events of 2020. She suggests the following five key actions.

1. Provide the right knowledge

Clients' knowledge of some areas around emergency government legislation might be limited. Ensure that you are always present and ready to fill those knowledge gaps.

For example, the Job Retention Scheme may require knowledge of employment and contract law. You may already have this knowledge but if not, you are better placed to learn about it and relate it back to your client.

2. Offer clarity around financial support

It's vital to help your clients understand what support is available to them, and that includes loan and grant offerings, or HMRC's Time to Pay. You should never assume that your clients know about these support offerings, no matter how well-established or well-used the scheme may be. Some of these schemes have adapted and evolved over time, so a constant line of client communication may be required to keep them abreast of any developments.

It's a good idea to segment your clients based on who is likely to require more help, or who may need certain kinds of funding or support from the emergency legislation. You might even create group video meetings with these clients, or webinars, to discuss what they can do.

3. Support with applications

Be prepared to support your clients to get through grant or loan applications for the government's ongoing emergency measures. You may need to provide key financial reports for them, for example. Whether you charge for this or not is a difficult decision and in some ways may be dictated by the client's circumstances. You might perhaps focus instead on lasting goodwill from the client, or collateral benefits such as increased referrals or positive reviews online.

4. Provide technical support

With in-person client meetings on hold for now, your clients will be working with you remotely to go over their financials. If they need support with their cloud accounting software to do this, you'll be in a good position to help them.

By providing support around this area of remote working, you could offer a valuable service to your clients. Any help you can offer will be undoubtedly warmly received – even if it's outside your practice's typical comfort zone.

5. Communicate regularly

Ensure you keep in touch with your clients so they don't feel abandoned. Some of the conversations you have could be more emotional than usual, and will certainly cover different topics.

Your ability to provide an overview of a company's finances and to apply this to the emergency offerings from the government and elsewhere has never been more vital.

Conclusion:

Are you ready for business?

This is a time of extraordinary change – when we first consulted 3,298 accountants in practice from across the globe, none of us could have foreseen just how vital their understanding of, and plans for, adaptation and change would come to be. This year's Practice of Now survey indicates with clarity that an overwhelming majority of accountants recognise that clients expect a diverse and modernised plethora of services and skills from them.

It is recognised by accountants that clients expect the latest technologies to be utilised in order to unlock business potential and to model new streams of revenue. Clients also need to trust that they comply with and understand the complexities of increasingly frequent regulatory and legal changes.

If accountants are to deliver upon this heightened level of client expectation, a new framework is required. Yet again, it is an increasing majority that state they have examined and re-evaluated their practice in this vein, in the past 12 months; an indication that accountants are willing to assess and refashion their frameworks.





In fact, the data indicates that more than three quarters are confident that they are equipped to provide advice in areas outside core accountancy and bookkeeping services, from marketing and cashflow, to automation and robotic processes. Over half are actively taking steps to upskill their staff or are planning training in new areas that are in increasing demand from clients.

To provide an enhanced menu of options, it is largely understood that the recruitment process must evolve to attract the kind of digital talent that will bring sustained value to the client. The fact that over half of survey respondents believe that new recruits need financial business skills, points to an incredible opportunity that accountants have, to be indispensable to their clients.

The accountant of the future is one that takes advantage of this point, to proactively develop their skills in order to guide a client's business as a whole – showcasing his or her ability to strategize, forecast, and advise clients on the best routes to success. Especially, in this new normal.



Methodology

This report includes the findings of independent research commissioned by Sage in December 2019 and conducted by an independent research firm, Savanta, surveying 3,298 accountants from the US, UK, Canada, Spain, France, Australia, and South Africa.

For the first time, this year's Practice of Now report also includes qualitative research carried out by Coleman Parkes, which spoke to small and medium sized businesses from the above mentioned regions. These responses were anonymised but provide incredible insights into real-world concerns of businesses, and how they both view and use their accountants.

Note: Figures throughout this report are rounded-up, so totals sometimes do not always equal 100%.

Sage (UK) Limited
North Park
Newcastle upon Tyne
NE13 9AA

www.sage.com



©2020 The Sage Group plc or its licensors. Sage, Sage logos, Sage product and service names mentioned herein are the trademarks of The Sage Group plc or its licensors. All other trademarks are the property of their respective owners. CD/WF 840605