

# HOW CAN ACCOUNTANTS BENEFIT FROM TECHNOLOGICAL CHANGE?

DIGITAL TRANSFORMATION IN ACCOUNTING 2.0



# Introduction

In 2018, Beaming published a report called Digital Transformation in Accounting, which looked at how forward-thinking accountants were increasingly using technology to improve their businesses and better serve clients.

In the time since the importance of technology has only grown. The Government's 2020 Making Tax Digital policy set out a bold aim of paperless records and returns, while cloud accounting technology advances have extended what is possible for firms and clients alike.

Meanwhile, the COVID-19 pandemic has impacted multiple aspects of life for accountants - accelerating change in areas including client service, flexible working and cyber risk.

Given the pace of change, Beaming is revisiting the topic in this report and series of short films in which accounting experts and technologists explore the impact that digital transformation continues to have on how accountancy practices operate.

## Meet the contributors

### **Georgi Rollings, Starfish Accounting**

Georgi is the founder and director of Starfish, which she founded in 2011 to provide accounting services and support to small businesses and startups. Starfish is based in Maidenhead and has a mission to help women in business.

### **Malcolm Pope, Shorts Accountants:**

Malcolm is a Partner at Shorts, a mid-tier accounting firm located in Chesterfield and Sheffield. Malcolm is responsible for the firm's management information and cloud services.

### **Paige Collins, Warren House Chartered Accountants:**

Paige is Managing Partner at Warren House, an accountancy practice based in mid-Sussex. Paige has nearly 40 years' experience advising clients on all aspects of their financial affairs.

### **Ray Newman, PracticeWeb:**

Ray is a writer and editor at PracticeWeb, a specialist marketing consultancy for accountants that connects ambitious practices with their ideal clients through content.

### **Sam Carter, Ashdown Hurrey Chartered Accountants:**

Sam is a Director at Ashdown Hurrey, which provides accounting and taxation support to the local, national and international business community.

### **Sonia Blizzard, Beaming:**

Sonia is Managing Director of Beaming, an internet service provider for businesses and specialist provider of fast, reliable, and secure connectivity services to accounting firms.

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## About Beaming

Established in 2004 and based in Hastings, East Sussex, Beaming is a specialist internet service provider (ISP) for businesses, supplying organisations across the UK with fast, reliable, and secure voice and data connectivity. Beaming works closely with multi-site businesses that need an ISP partner to ensure they are always connected and protected online.

Beaming specialises in supporting accountancy practices as they become more digitally enabled by making sure that the infrastructure that accountants use is secure and reliable - from the connectivity they use and the way they access data, to supporting practice leaders with technology planning and cyber security guidance.

For more information visit [www.beaming.co.uk/accounting](http://www.beaming.co.uk/accounting)

# What is the next chapter in digital in the accounting sector?

Digital initiatives such as Making Tax Digital (MTD) are game-changers in the accountancy industry, making cloud accounting standard and opening the door for smart accountants to provide wider insight and business advice.

In this short film Ray Newman from PracticeWeb, Georgi Rollings of Starfish Accounting, Paige Collins of Warren House Chartered Accountants and Sam Carter at Ashdown Hurrey Chartered Accountants join Beaming's Sonia Blizzard to discuss digital as a driver for change in the accountancy sector. What's happened already and what further changes can business owners expect on the horizon?



## **Sonia Blizzard, Beaming**

Making Tax Digital has almost been like the first chapter in going digital for many accountants. Cloud computing has now become a certainty and a necessity, and actually will give them some opportunities in terms of the advice they give to their customers

## **Ray Newman, PracticeWeb**

Making Tax Digital has been the big story of the past few years. Every time the Government announces a new milestone or a new deadline, there's a sudden surge in interest, people get very anxious about it, they want to know what they need to do. And what we had last year was, amongst all of the confusion around COVID-19 and the furlough scheme, they also announced an acceleration of MTD, directly driven by the COVID-19 response. If MTD had been on schedule they would have had some of that data and they would have been able to administer grants much more easily.

## **Paige Collins, Warren House Chartered Accountants**

The Government initiative of Making Tax Digital, and who would have thought a Government initiative would actually start a renaissance and the next phase of development for accountancy software providers, that's leading into all sorts of different directions now, in terms of what can be done with the data.

**Sam Carter, Ashdown Hurrey Chartered Accountants**

Making Tax Digital was a huge thing. It did affect us, but we've been quite forward in trying to provide solutions to our clients. So there's lots of cloud based software, there's lots of good desktop based software. For a good few years pre-Making Tax Digital came into effect, we were already trying to help clients with these solutions because there are so many benefits to them. When Making Tax Digital actually came into effect and became compulsory, the only real impact that had for us was those last few clients that were quite reluctant to change, it was now not a recommendation from us or a choice thing. It was the Government actually saying, you've got to do this now.

**Georgi Rollings, Starfish Accounting**

It's not just having to file through a proper digital portal, it's the way the data gets into that digital portal in the first place. So we have entirely different conversations with our clients now. It's not just about getting them set up on Xero and having a bank feed in place, it's also looking at the data flows from things like their underlying sales channels, how is their data getting from their website into Xero, how's it getting from their point of sale system into Xero, to try and make sure that we've got a proper digital flow, which is one of the requirements under Making Tax Digital. So it's been quite significant. I think it would be really interesting over the next two years, as we get to April 2023, when that requirement is also going to be there for the landlords, it will be quite a big change many of our small landlords and sole traders, and also for those who have to pay corporation tax but don't currently fall under the VAT rules for Making Tax Digital. So I think we're going to see an increasing speed of change over the next two years.

**Ray Newman, PracticeWeb**

I've spoken to a lot of clients recently who are in the headspace that saying "great news everyone, we do cloud accounting" is no longer really a selling point. That's a given. And I think what a lot of accountancy firms found was that maybe a few years ago, people were reluctant, they didn't understand why it applied to them, they weren't very interested. And the fact that suddenly it became a compliance issue, because it's actually given a lot of accountants, the smart accountants, space to say "right, well, maybe we do something more meaningful than just helping people get their tax return in, or their accounts done, maybe we're here to actually be those business advisors that they need."

**Summary : What is the next chapter in digital for the accounting sector?**

Making Tax Digital has accelerated the accounting field. Cloud computing is now a necessity for accounting firms - helping to reduce the number of manual tasks, improve the visibility of data, and allowing accountants to spend more time providing advisory services and building better relationships with their clients.

# Can technology help accountants offer advisory services?

The rise in advisory services in accounting is breathing new life into the traditional accountant-client relationship. Moving from a transactional basis rooted in compliance, accountants are using digital services to free up time and shift focus to providing in-depth business advice.

In this film Malcom Pope of Shorts Accountants, Georgi Rollings of Starfish Accounting and Sam Carter at Ashdown Hurrey Chartered Accountants, join Beaming's Sonia Blizzard, Paige Collins of Warren House Chartered Accountants and PracticeWeb's Ray Newman to discuss how their firms are embracing advisory services to start new conversations with clients and take a collaborative approach to working on their business.



## **Sonia Blizzard, Beaming**

New technology will improve the relationship between accountants and their clients in some very interesting and positive ways. The infrastructure, as long as it's secure and reliable, and allows data to be managed in a safe way, will allow for an advisor relationship to grow.

## **Malcolm Pope, Shorts Accountants**

Going back, about seven or eight years ago now, we decided to move to what we call the "go to firm" strategy. And that meant that we built a lot of the advisory services we now have, because we could see a gap both locally and also looking forward for what clients would want. And as the digital wave came stronger, the compliance work would get more automated, but there's also then the opportunity to do more with that data.

## **Sam Carter, Ashdown Hurrey Chartered Accountants**

If you're summarising a bank statement, there is only ever going to be one answer, because that's very matter of fact. And if there's a piece of software that can help do that quicker, you're not losing value in that side of things. Whereas the actual discussing the results and planning for the future is where the value can be added.

So we've been able to shift some of our resources from the processing element. And being very blunt, if a piece of software can do that quicker, and as efficiently, we've been able to take staff from that, and then utilise them for the stuff that's of far more value.

### **Georgi Rollings, Starfish Accounting**

We're probably spending a similar amount of time with each client, but the nature of the time that we spend with them has shifted. So if we look at a receipt capturing app like Dext Prepare, for example, we now have quite a significant proportion of our clients who use that, and we have supplier rules set up to help certain items to be published into Xero automatically. There's very little manual intervention required, but that doesn't mean we spend less time on the client. That means that what we are looking at is at a different level and we're able to provide a different level of service and have different conversations. So our focus now is much more around those touch points with our clients, and trying to make sure that we have regular contact with them and we can go through the questions that they've got and concerns, and projections and all those good things rather than just saying "we've processed 87 purchase invoices for you." It's just, it's a different level of conversation.

### **Paige Collins, Warren House Chartered Accountants**

A lot of business owners work in the business rather than on the business. And we want to work with them on the business to help them achieve their financial objectives, personal objectives, and just looking at what that means and using historic data to do that. I'm sure probably in two years time, things like the annual statutory accounts will be completed by people if they want to, through using Sage, Xero, QuickBooks, those accountancy packages. And you almost won't need an accountant to deal with your compliance. So we've got to evolve our services to provide the added value that we're going to do, which is about planning going forward.

### **Ray Newman, PracticeWeb**

There's a little bit of a gulf between that appetite to deliver advice from accountants and the appetite for it from SMEs. They don't know they want it in some cases yet. And I think that's because it's still something that's quite new for a lot of accountancy firms. So when an accountant says that they do business advice, the SMEs we interviewed, some of them interpreted that to mean still accountancy, the sort of compliance stuff. And actually, what a lot of accountants - they are people that have been there, their own businesses are essentially startups, they've run small businesses themselves and sold them successfully, or they've been the Finance Directors of small businesses or larger businesses. So they've got that practical business experience and they want to advise people on growing their business, exit strategies, all of those kinds of big long term strategic things. And the clients maybe don't quite know that that's on offer.

“ We're probably spending a similar amount of time with each client, but the nature of the time that we spend with them has shifted... there's very little manual intervention required...that means that what we are looking at is at a different level and we're able to provide a different level of service and have different conversations. ”

**Georgi Rollings, Starfish Accounting**

**Malcolm Pope, Shorts Accountants**

In terms of the advisory teams we've got, so there's a split between, for example, the tax teams in there, so a lot of tax planning, which is like data driven from an expertise point of view, but we're not reliant on great swathes of analysis on the data in question. If it's a tax point we'll then plan accordingly, depending on where that is. In terms of the more data heavy aspects of the advisory work we undertake, we're looking at Finance Director work, management accounts, management information, moving into data analytics, and that's where a lot of digital transformations come in.

**Georgi Rollings, Starfish Accounting**

It just feels like a no brainer, almost. Why would you want to go back to wading through piles of receipts and bank statements, and that kind of busy once a year relationship where the only value provided is a confirmation of the tax bill. We feel now that we're able to work with our clients much more in partnership and help them to drive forward and succeed in growing their businesses. And it's a really collaborative thing. You know, they do well then we do well.

**Summary: Can technology help accountants offer advisory services?**

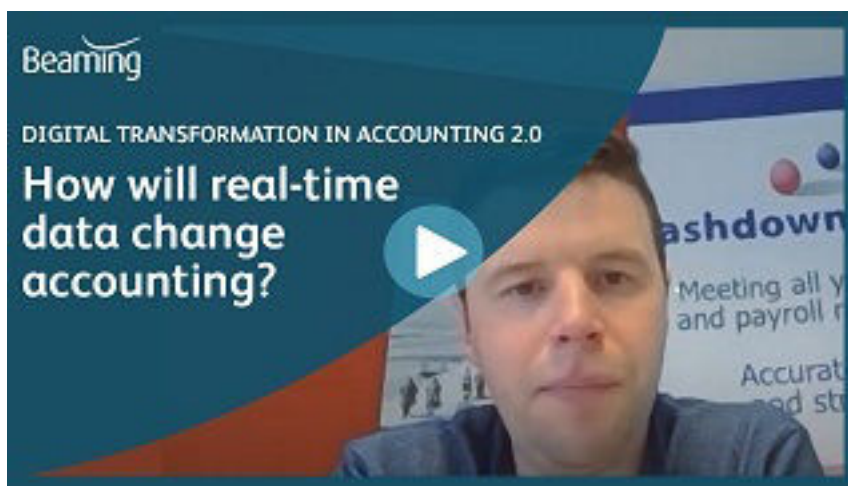
By automating many repetitive compliance processes, accountants have more time to review client data and build insights for advisory services. This creates more opportunities to build better relationships, with better outreach and improved communication. Using insights from data analytics lets accountants offer real value to clients and help them to make better strategic decisions.



# How will real time data change accounting?

While many accountancy firms have already embraced cloud accounting, the use of real-time data to give clients a complete view of their business and up to the minute information on which to base decisions is still emerging.

In this film, Beaming's Sonia Blizzard is joined by Paige Collins of Warren House Chartered Accountants, Sam Carter at Ashdown Hurrey Chartered Accountants, Georgi Rollings of Starfish Accounting and Ray Newman from PracticeWeb to discuss how real-time data helps clients adapt to changing scenarios and its use as part of the Government's Making Tax Digital initiative.



## Sam Carter, Ashdown Hurrey Chartered Accountants

So data for us is huge. As accountants, tax advisors, we are taking that data or being given that data by clients, making sure that they're meeting their compliance requirements. And then the bit where we can really add the value to clients is kind of interpreting that data in a way that they understand, and that can help their business.

## Georgi Rollings, Starfish Accounting

Well, we've been a predominantly cloud practice for quite a long time, we moved onto Xero back in 2012 I think, so relatively early adopters. But we've seen a real shift even in the last three years. We're moving more and more to try to get the majority of our clients to have access to real time data. Instead of it being something that's looked at, you know, maybe at best once a quarter, failing that once a year, and we're trying to get people access to more than just Xero. So it's not one app, it's how many different apps will fit together with the business to give them the best control of and view over their data

## Paige Collins, Warren House Chartered Accountants

Using the clients' data is becoming much more important. I can easily see a situation in a relatively short period of time, maybe in the next two years, because of Making Tax Digital, the Government's initiative, we'll be paying tax sooner.

We'll still pay the same amount of tax, but rather than collecting it nine months after the end of the company's financial year, it might be you pay it within the accounting period, and the last payment is a catch up one six months after the end of the year. Because they're bringing data more regularly they'll be getting information more regularly, it will effectively be part of the VAT returns submissions for most businesses.

### **Ray Newman, PracticeWeb**

A bunch of stuff that was meant to be announced or would normally have been announced with the Budget was dropped on a random Tuesday at the end of March. So lots of consultations and policy documents, and hidden among around 30 odd announcements, there was a piece on more frequent income tax payments. So instead of doing one big tax return at the end of the year, it's always been sort of bundled up in MTD that you'd have periodic tax returns or reporting to HMRC. But we might actually see people essentially paying tax in real time using technology. That would be an interesting move. So instead of waiting for them to pay it all at the end of the year, you just essentially pay tax either on a monthly basis or even on each transaction as you go.

### **Georgi Rollings, Starfish Accounting**

If you don't have good up to date data that gives you a really genuine view over where you're at with your business and who you owe money to, and who owes money to you, and which areas of your business are performing well and which are struggling, then you can't possibly make well informed decisions about what we can change in your business to help you to survive. With COVID-19, we found that those of our clients who've been best able to pivot what they do, change their focus, it's been where they have that access to real time data.

### **Sonia Blizzard, Beaming**

As this use of cloud accounting grows, the infrastructure is going to be a really, really important part of the delivery of the service to the client. It means that you need to have a safe and secure way of being able to transfer data between clients and the accountant, and for the accountant to be able to rely on that data and its accuracy. So in terms of the integrity of the data, the availability of the data, as well as the confidentiality, that will also become really, really critical to that business advisory function that the accountant will deliver.



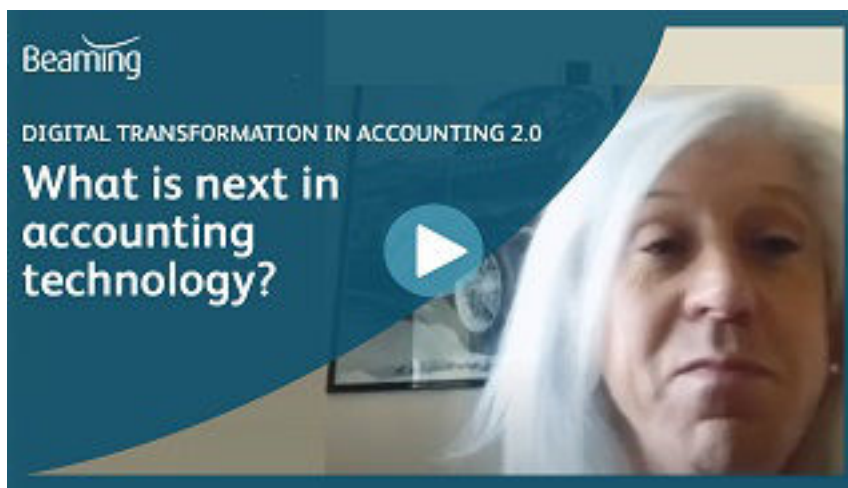
## **Summary: How will real time data change accounting?**

With the uptake of cloud computing, and more clients using accounting platforms, real-time data has never been easier to make use of. Compliance processes can be carried out faster and more frequently, with tax payments being made more often. Real-time data also makes it easier for accountants to assist clients in making well-informed decisions about their business.

# What is next in accounting technology?

With cloud accounting now mainstream, the application of new technologies such as AI, automation and data analytics is starting to have a big impact on accountancy services, allowing work to be done faster and delivering deeper client insight.

In this film Ray Newman from PracticeWeb, Malcolm Pope of Shorts Accountants, Sam Carter of Ashdown Hurrey and Georgi Rollings of Starfish Accounting join Beaming's Sonia Blizzard to discuss the ways in which the use of technology has evolved and grown within their businesses.



## **Sonia Blizzard, Beaming**

Cloud accounting has obviously now become mainstream. Accountants have taken on technology in a big way. New tools such as predictive analytics, automation and ethical use of AI even, will allow accountants to adopt more than advisory role in what they serve to their clients

## **Ray Newman, PracticeWeb**

Things that a few years ago sounded like buzzwords, like Artificial Intelligence and the dreaded Blockchain that we were all talking about for ages and nobody ever really was able to provide a satisfactory explanation for how it would actually make much difference to accountants. But those things are starting to become real and starting to have practical applications. The idea that you can actually just get the software to do a lot of the donkey work when it comes to tidying up data, or making sense of data, there's a huge amount of potential in that just kind of, essentially, not very sexy AI stuff.

## **Sam Carter, Ashdown Hurrey Chartered Accountants**

Lots of what we do involves processing to get to the numbers that really have use, whether it's the final accounts and final tax side of things that are needed for compliance, or more importantly for lots of businesses, that knowing what the figures are so that business decisions can be made. If the software is doing the processing element, it means that we can turn the information around for them far quicker.

**Malcolm Pope, Shorts Accountants**

In terms of the next big thing. Yes, I think it's probably around data analytics. As that becomes more mature and you've got a greater depth of data, which is available on an online or an accessible form. So as more and more clients go onto the cloud, we can then start to draw more and more comparisons from that base, and that base gets bigger.

**Georgi Rollings, Starfish Accounting**

Technology for us is one of our biggest items of expenditure, it's probably the second after our staff costs. So it can be quite a steep financial investment. But it has meant that we can broaden out what we do. So for example, we're here to offer credit control services, virtual credit control for our clients that we wouldn't have done before. We get involved in more different areas and fairly straightforward things like setting up payment methods for them, to help them get paid faster. You can provide better advisory services because we've got the right tech for the data to flow in, so that you can build up assumptions and look at different scenarios in a much more effective way than we could before.

**Summary: What is next in accounting technology?**

Accounting experts predict that the next big change in accounting technology will come from improved data analytics. Not only will having better analytical tools assist with faster processing of data, but it will also help accountants to look at data in greater depth, make more sense of what is going on with their client's business and offer more valuable advice.

# Do accountants need to work in the office?

For many sectors – accountancy included – the pandemic has meant a fundamental shift in attitudes to flexible working and client service. So how are accountancy firms embracing this new remote working reality while ensuring that clients receive the same level of service?

In this film, Malcolm Pope of Shorts Accountants, Paige Collins of Warren House Chartered Accountants, Georgi Rollings of Starfish Accounting, Sam Carter at Ashdown Hurrey Chartered Accountants and Ray Newman from PracticeWeb join Beaming's Sonia Blizzard to explain how firms have adapted their working arrangements to suit the needs of their staff and clients.



## Ray Newman, PracticeWeb

Connecting with lots of accountants on LinkedIn, I saw this blind panic kick in, I think a little bit last year. The refrain of many accountants is professional and friendly service, and suddenly when you can't be face to face, how do you do the friendly bit? So I think there was a bit of anxiety that kicked in. And pretty quickly, I think I saw people saying, "Oh, this is working way better than we thought it would. Oh, and it turns out clients don't necessarily want to have meetings, they just want to get things done as efficiently as possible."

## Georgi Rollings, Starfish Accounting

I tend to think that we've been phenomenally lucky. But actually, I think we've done the right things at the right time, and we've then benefited from that. I know of accountants where they shut their doors, and they weren't taking calls, and they weren't getting back to people. We just took the laptop home and plugged them back in again. Everything we do is cloud based. We're not reliant on servers even, with cloud based storage and all our apps. From a phone perspective, we switched on VoIP two years ago, and I have a communicator app on my phone so I can still call my clients as though I'm calling from the office, which has slightly confused people. But it's really meant that we've been able to just pick up where we left off.

## Sam Carter, Ashdown Hurrey Chartered Accountants

Obviously, the pandemic came as a huge surprise to everybody. We couldn't work in the office, we had to up sticks and go home at a time where nobody really knew what was going to happen.

The one thing we didn't really need to worry about was the technology side of things. Beaming has had us working on a server based system for a long time now. So it was a case of unplug our computers here, go home, and as long as we had internet connection and a power source, we could work just as efficiently from home.

### **Sonia Blizzard, Beaming**

Having the right platforms is not the whole thing, you have to make sure the way you access those platforms is secure. So that means having secure access via broadband, business grade broadband through company supplied equipment, managing the access control into the accountancy company's systems and the third party software platforms that clients use, is absolutely critical.

### **Paige Collins, Warren House Chartered Accountants**

We've certainly been making sure that everybody has the right technology at home, which didn't exist 12 months ago. People have their space, they've created their own space where they feel comfortable working, and it's a question of if then people are comfortable with that working environment, and I'm sure they all are now after so long, that some people are slightly reticent about going back to the office.

### **Ray Newman, PracticeWeb**

Nobody is expecting to go back to quite the same world we were before, even if they want a bit more in person. There are so many things they've realised can be done virtually that save time and money. Why would they not carry on doing at least some of that?

### **Malcolm Pope, Shorts Accountants**

I don't think it will get fully flexible working because our experience is that's not what the team actually wants. So I think you'll end up with a hybrid, because we still work on almost like an apprentice model where people learn from their seniors. And they can learn in a far better way if they're within earshot throughout that working day, or for parts of that working week.

### **Paige Collins, Warren House Chartered Accountants**

What we've seen in the last 12 months because of the pandemic is the cultural change in flexible working. I think people still need to have the connectivity or the collegiate approach of being connected in an office space in part, but also, I think everybody understands the benefits of actually more flexible working and working from home.



## **Summary: Do accountants need to work in the office?**

Technology has made it possible for accountants to work effectively from anywhere. Cloud computing, VoIP and reliable, secure internet connections save firms time and money and make the switch to more flexible working manageable. Yet, challenges remain. Accountants must consider how they will develop their junior staff members, and how best to build stronger connections with colleagues and clients, when deciding future work arrangements.



# How should accountants respond to cyber crime?

Given the valuable client data they have access to, cybercrime is a very real threat to accounting practices. Apart from disrupting work, the potential for reputational damage makes cyber security an issue that should be front and centre for accountants.

In this film Beaming's Sonia Blizzard is joined by Ray Newman from PracticeWeb, Paige Collins of Warren House Chartered Accountants, Sam Carter at Ashdown Hurrey Chartered Accountants and Georgi Rollings of Starfish Accounting to discuss the cyber security imperative for accountancy firms and how practices can become more resilient to attack.



## **Sonia Blizzard, Beaming**

Having access to real time data, the crown jewels of the business, does give accountants access to very, very important information. But with that comes great responsibility. They do need to make sure access to that information is secure, that they can trust how they access it, and it's held in a way that protects the clients.

## **Paige Collins, Warren House Chartered Accountants**

Doing what we do, we hope we don't come across too much cybercrime. We've had clients in the last 12 months that, because of the pandemic, have had knocks on the door from cyber criminals. One in particular actually the door opened. That was very disruptive to the business for about a week.

## **Sam Carter, Ashdown Hurrey Chartered Accountants**

I think everybody's aware that because of the pandemic, we have lots more information moving around digitally and, unfortunately, the cybercrime world saw that as an opportunity. That's proved to be an extra layer of risk where the information is passed around. So it's been fundamental to be aware of that and preempt that in the systems that we have in place and those that Beaming have helped us put in place over the years.

**Georgi Rollings, Starfish Accounting**

It is something that we've been concerned about. We've heard about other accountants who've been hacked and lost client data. We went through quite a big exercise when GDPR came in to make sure that we have reviewed where our data is stored and how it's accessed, making sure that you've got dual authentication on Xero, so there's that kind of extra level of security. And one of the areas that we've looked at really heavily actually is how clients submit their information to us. We've now got secure portals that our website guys built for us where people can upload encrypted files and make sure that the data are looked after very carefully.

**Sonia Blizzard, Beaming**

When you have an office, say of 40 people, suddenly becoming 40 offices and non-standardised, these are the weaknesses that cyber criminals would exploit. As usual, it's the people that are your biggest threats. So it's making sure they have the right processes and procedures in place for managing their data, making sure they're using the right IT infrastructure, and the right cloud platforms to support that use of data, making sure they've got appropriate technology in terms of business grade broadband connections and so on. From there it becomes a matter of judgement calls.

**Summary: How should accountants respond to cybercrime?**

Accountants and their clients must keep taking cyber threats seriously. The breadth and depth of data accountants hold make them a prime candidate for attackers. Accounting firms can become more resilient to cyber attacks through straightforward steps such as reviewing where data is stored and how people access it, implementing multi-factor-authentication, and providing regular staff training to reinforce processes and policies to follow.

For more advice on keeping your business secure visit [Beaming's Cyber Security resource hub](#) for free guides, downloads and quizzes for you and your teams.





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