

HOW ACCOUNTANTS ARE DEALING WITH SOFTWARE APPS AND OTHER EMERGING TECHNOLOGIES



Forward thinking accountants are embracing new technology and using it to their advantage.

Gone are the days when hiring a full-time accountant was a requirement for business owners. Technology has brought innovative software applications (apps) and programs to help automate and streamline accounting processes, giving entrepreneurs a newfound sense of financial independence with just a few clicks. This advance in technology does not mean that traditional accountants will be out of jobs. In fact, it actually allows a system to take over the repeatable processes while allowing the accountant or executive team to make informed decisions and apply the tax code in the most effective ways possible.

These software systems and apps are smart, but they must be told what to do, and the accountant provides that direction, helping to empower business owners and companies. Rather than trying to compete with technology, progressive accountants are at the forefront of this paradigm shift – serving as instrumental consultants in the development of new accounting programs and taking advantage of such time saving applications to be able to expand and offer expertise in more diverse and niche roles.

Software and Mobile Applications

Freshbooks, Quickbooks, and Xero are among the most popular accounting software programs currently on the market, providing business owners with the tools they need to operate efficiently. Computer based calculations drastically improve accuracy, which can be critical when dealing with the IRS or determining a business valuation. Maintaining bookkeeping within a single software also helps when tax time comes around, allowing a smooth transition when passing the baton over to your CPA. It can quickly identify the who, what, where, when, why, and how of all your finances. Quantifying a large amount of data is a huge job, and these systems make it a little easier to see what happened and if there are any inaccuracies.

Mobile applications, such as Sage Intacct, Netsuite, and Deskera ERP, have given business owners the opportunity to carry accounting services in the palm of their hands. With user-friendly formatting, they appeal to business leaders in their ability to automate otherwise tedious tasks such as creating invoices, keeping a clean balance sheet, tracking billable hours, and maintaining other essential day-to-day operations. They also make it harder to “cook the books,” falsify spreadsheets, and help to guard against other types of fraud that may be attempted for personal benefit or to enhance the value of a business for shareholders.

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In addition, having all of your important financial data securely streamlined within a single platform can simplify how quickly and efficiently you can access it. With time being the most valuable asset for most key decision makers, these types of systems can provide quick snapshots of financial health, increasing the transparency of top money-driven performance indicators and also providing clarity on how to improve. Furthermore, they can be highly valuable if you ever need to hire an outside financial specialist or decide to prepare the company for a merger or acquisition. Rather than living in an office cramped full of filing cabinets, software applications now allow digital files to live in the Cloud as opposed to being filed as paper copies or saved on hard drives.

Accountants vs. Accounting Technology

With a large variety of automated accountancy options available, you may be wondering why you would ever need a real-life accountant to handle your business accounting needs. Though software applications offer a convenient way to handle day to day accounting tasks internally, big picture events such as preparing and filing tax returns, year-end reporting, tax planning and providing support in times of audits or a lawsuit most definitely warrant the expertise of a seasoned CPA.

Forward thinking accountants are embracing new technology and using it to their advantage. With more efficient processes to perform traditional and systematic tasks such as data input and computation, accountants have the freedom to branch out and focus on adding value through specialized roles such as forensics and high-level financial analysis and strategic planning – roles that are increasing in demand in today's economic environment. The interpretive capacity, insight, calculated decision making, and IRS code application that these specialties require simply can't be replaced or replicated by machines.

According to Accounting Today, the global market for accounting software is projected to reach a value of \$11.8 billion by 2026.



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In Summary

In a world that is becoming increasingly digital, accounting is quickly following suit. With the development of software applications, we can expect to see more and more businesses relying on these affordable and user-friendly tools to manage their revenue, expenses and other operational data. While these resources are helpful in the daily operations of businesses, ultimately they are limited in their capacity to help a business owner with strategic decision making. The human element of an accountant and the ability to identify and distinguish between the "system-predicted" move and the "smart" move can never be underrated or automated.

At Neumeister & Associates, it is our primary goal to set our clients up for success. We offer a variety of traditional and specialized accounting services to keep businesses aware of their current financial situation and help them moving in a forward direction. Send us an email or give us a call, we would love to learn more about your business and where you could use a helping hand.

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