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## Year planner

Practices and tech providers reveal their thoughts and plans for the big year ahead



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# Lots to ponder in 2019

We have assembled a panel of industry experts to give their thoughts on potential tech developments, challenges facing them and their aspirations for 2019 and beyond

It's that time of the year when we all think about what's in store over the next 12 months. What are your hopes and aspirations for your practice, and how will that be influenced by the world of technology as it continues to accelerate its offerings? Will those naughty twins that are MTD and Brexit derail everything – or can we flex and adapt to changing circumstances?

AdvanceTrack spoke to major UK tech houses, alongside accounting practices, to gauge their thoughts and moods on 2019.

**Tech:** We spoke to Steve Cox, chief evangelist at IRIS Software Group; Alex Davis, business development manager at Intuit QuickBooks; and Damon Anderson, director of partner and product at Xero



**Q:** What tech development is your company working on that most excites you for the year ahead?

**Steve Cox:** We are excited about the continued development of APIs across the government and industry. We believe these collaborations – whether it's with HMRC, other vendors, or wider

applications – will dominate the year ahead. To ensure all new technologies are accessible and relevant, we see micro services and integration brought together on a resilient platform, such as IRIS' Project Darwin. Firms will be able to manage their practices on an integrated cloud platform with a suite of products and services to digitally manage and optimise every step of the client journey from first touch to filing of final accounts.

**Alex Davis:** Bringing together siloed data is one important way we help save customers and their advisers time, and reduce the risk of manual errors. For example, we have direct bank feeds with three major retail banks in the UK, covering 60% of the UK market. Direct bank feeds automate much of the time-consuming data entry associated with bookkeeping.

Tax prep is an area in which we continue to add value for accountants who spend an excessive amount of time gathering data for a single client on an annual or quarterly basis. Multiply this by 25 or more, and it's clearly a problem that needs to be solved, especially with MTD around the corner.



**Damon Anderson:** It probably comes as no surprise that we will be developing our artificial intelligence and machine learning capabilities further. Although, as the world digitises even more, so too will the world of work humanise more. And these things will have to work hand-in-hand.

So we'll continue to focus a lot of our efforts on developing and improving AI, in turn improving automation features that free up valuable time for accountants and small businesses to take control of cash flow and run businesses more strategically.



**Q:** What challenges do accountancy tech providers face in the year ahead, and how will you approach them?

**SC:** The challenges in the year ahead will be to respond to government and industry demands for greater integration and find innovative ways of solving problems as they arise, no matter the cause or origin; these include areas such as calculation mistakes which often falls with the provider, even if it's a third-party mistake. Practitioners see the benefits of the advanced technology but need our help to build a blueprint for success and take advantage in the digital economy.

**AD:** There is little doubt that over the coming months practitioners will be focused on firstly identifying which of their clients need to be migrated to

MTD-compliant software. Then, they will put the plans in place to manage those migrations efficiently. This will involve the transfer of critical financial data, along with educating staff and clients on how to use the software efficiently.

Once these building blocks are in place, we expect the conversation to move towards how these insights can be put to use. Cloud software offers visibility into real-time data that can be used to enrich client relationships and aid planning and advisory services. This is a prime opportunity for accountants and bookkeepers to up-level their roles.

**DA:** We've been working closely with accountants, bookkeepers and small business owners for some time to ensure they are informed about how best to prepare for HMRC's Making Tax Digital for VAT initiative. We're also helping our customers prepare with our recent acquisition of Instafyle, a cloud-based accounts preparation and tax filing solution that connects accountants, bookkeepers and small businesses to UK compliance bodies including HMRC.

Automation will also continue to have an impact on the accounting industry in 2019. It will continue to transform the ways that accounting firms interact with data and their clients.

**Practice:** We spoke to John Brace, managing director of Harwood Hutton; Alex Falcon Huerta, CEO and founder of Soaring Falcon; Carl Reader, director at d&t Chartered Accountants; and Bruce Burrowes, founder of Kingston Burrowes

**Q:** What are your aspirations for your practice in the year ahead, and how will they be achieved?

**John Brace:** Despite some very gloomy Brexit-related forecasts, we are planning to achieve measurable growth next year and are already recruiting additional people to deal with this.

We see growth in more specialised areas of advisory work, both for business and private clients and we have seen this trend through the current year. Brexit is creating a lot of opportunities for us, particularly in Customs & Excise consultancy in which we expect to achieve significant growth.

On the private client side, probate, executor and trustee services are in demand and this is also linked to our business-owning clients. We expect a measurable expansion in these services.



**Alex Falcon Huerta:** We are looking to expand beyond just accounting to bring other processes online for our clients. This way, when they have access to all their information in real-time it will give our clients real control.

And, as much as I love tech, I want to work with products that offer just a bit more, to reduce the 'stack' of products we use.

**Carl Reader:** For me, the biggest target is to make sure that we set our board up for success. We've been going through a

reorganisation, and now that we have the new leadership team in place, it is now our job to let them drive the practice forwards.

For them, they are looking at how we can continue to provide additional services to our customers. In particular, we are looking at how we can support them with their funding requirements, and at how we can change the dynamic of our service so that our value is provided in planning and strategy, rather than reporting and compliance.



**Bruce Burrowes:** We're looking to grow and consolidate. We need to continue our growth to ensure we not only replace the natural attrition of clients, but also grow to meet our aspirations. The consolidation part is about ensuring the relationship we have is appropriate for the client needs. Both of these are continual.

**Q:** What technology development, from a practice's point of view, would you like to see in the next year?

**JB:** To be honest, none would be a pleasant surprise. There is much talk about AI but I think we are still a long way off from seeing real benefit. Like electric cars, I think it is still a bit early to start rushing into adoption.

This links with cybersecurity and I would like to see more activity in this area before we go headlong into AI and perhaps have our data plundered. I also fear the introduction of MTD, which seems to be on this week but who knows what will be said next week. Many business are blissfully unaware and I just feel HMRC resources are spread too thinly and it will end in tears, especially if we have a no-deal Brexit.

**AFH:** I would really like to not have to write emails anymore! Any development that improves workflow and communication between me, clients and staff would also be gratefully received.

**CR:** The biggest technological opportunity is moving our data fully into the cloud, to remove reliance on our on-premise tech. We also want to broaden our software offerings for our customers, so that we can help them integrate their key business processes.

*Continued on the back page* »

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**BB:** We'd like to see a continual improvement in HMRC's systems. These need to continue to evolve in terms of interaction and guidance.

**Q:** *What is the biggest challenge you face in achieving your practice's goals in 2019?*

**JB:** One of our biggest challenges stems from HMRC, regrettably. The standard of service and output is sinking to new lows almost daily.

Gone are the days when HMRC could be relied upon to be professional and collect the correct amount of tax. The recent Lords' Report is a good commentary on the parlous state of our tax service and their aims.

It's time to curtail their powers. Practitioners have to deal with this daily as well as the constant changes in rules and the obsession with new powers. I would hope that practitioners are robust enough to handle the challenges but they need more support from the professional bodies. I just feel sorry for unrepresented taxpayers.

**AFH:** Recruitment has been and will continue to be a huge challenge. I would like to overcome that for my practice. I'm seeing more people coming through that are comfortable with using new technology and hopefully I'll be able to tap into their skills.

**CR:** Our biggest challenge is around recruitment. Finding staff who have not been 'brainwashed' by a traditional practice is really difficult!

We recruit based on the person-first, and only then do we even consider skillset. Unfortunately, we find that most firms have a skills-first approach, which combined with the natural personality types that are drawn to accountancy, means that new recruits struggle to adapt to d&t's culture and customer service expectations.

**BB:** Bringing staff on to be able to meet client requirements. Clients want more and more business information, and as their trusted adviser we are the first port of call.



Information compiled by *Kevin Reed*, a freelance journalist and former editor of *Accountancy Age*



## Vipul's view

AdvanceTrack's MD and founder gives his take on the year ahead

The biggest challenge ahead for accountants is meeting client expectations. Clients expect their accountant to solve problems, whether it's MTD or other things. They will not forgive their accountant for failing to provide options to keep them compliant (and at a sensible cost). Some businesses won't be able to afford the accountant to do all the work, so technology becomes extremely important.

In our recent [webinar with ReceiptBank](#), I spoke about scalability of services offered by accountants – without tech you can't scale your service.

So, the journey that both accountants and customers must take is around effective onboarding, capture of client info, processing of that data, and then at the end how do you communicate what has happened in that client's world, and at scale?

You can't spend your time crunching numbers. That's what the world is going to look like – and in the new world, it will feel like 31 January every quarter unless you adapt and help your clients to do the same.



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