

Time on our hands

Paul Barnes is the managing director of My Accountancy Place, which provides accounting and finance services to digital agencies. The practice, which operates with two directors and 15 staff, uses AdvanceTrack to free up its team to provide deeper and more valuable services to clients. He explains the practice's strategy, and development beyond compliance work.



Paul, tell us about your practice

We are a niche firm based in Manchester. We only service one industry: digital agencies providing marketing, creative and digital services, predominantly in the North West. We turn away those that don't fit that. Our practice works using Xero technology.

We have moved from being a 'good, proactive firm of accountants' to a full finance outsourced function. Rather than clients

building their own finance team, we provide the full finance function. This encompasses strategy, financial control, making sure their systems run smoothly, and bookkeeping. My team works across clients (from our office), but spend a lot of their time with those clients in their offices.

We can do just compliance, but we can do the whole lot. We bring industry expertise and systems expertise to the table as well.

When did you start using AdvanceTrack, and why?

We started My Accountancy Place in 2014, and began using AdvanceTrack in mid-2015. For the compliance function and historical accounting services that we provide, these are becoming more and more commoditised. It was an opportunity for us – we have real skills to grow and improve our clients' businesses but were restricted by the amount of compliance and bookkeeping work. So we streamlined that offering and outsourced, allowing our team to spend more time on the more rewarding and challenging work that truly makes a difference to our clients businesses. For the value provided by AdvanceTrack in terms of cost and service level, it was a

complete no-brainer. It has removed the headache of managing that service, and we can use highly-qualified accountants from the start with our clients.

What impact has AdvanceTrack had on the running of your practice?

Everyone in the practice has moved up a gear or two in terms of what they can give clients. When you sign up new customers, the on-boarding process can be challenging and you're under pressure to provide value straight away. Now we can map out clients' processes straight away – then that becomes an ongoing task run through AdvanceTrack and it just repeats. We then get on with our job of advising clients. Anything non-client-facing goes to AdvanceTrack; some of that is complex work but AdvanceTrack can do it. Straight away we can start improving the clients' business.

What is the future for your practice? What are you looking to achieve, and how?

There is still a lot of confusion in the accountancy market around what 'advisory' is all about. For us it's about simplifying the journey the business goes on. We want to illustrate that journey through our own IP, delivered through workbooks, guides and workshops... moving the client away from the office and allowing them to focus on strategy and growth and to help them short-cut the mistakes and bad investments. We're seeing small businesses now starting to expect what big businesses expect from their professional advisers, and they have every right to.



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How AdvanceTrack has helped one firm alleviate the headache of managing compliance

Taking on the robots

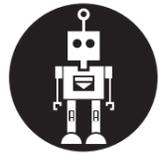
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The bots are coming

With accounting technology developing apace, it is only a matter of time before robots are employed to take care of the more process-led tasks. It's vital firms protect themselves by evolving their service

"We'll need fewer people to do the mundane work," PwC's far-sighted head of regulatory affairs, Gilly Lord, told readers of ICAS' CA magazine last month.

This isn't some huge downturn in the global audit market. Traditional number crunching is going out of fashion... well, at least with humans undertaking the work, anyway.

Lord was referring to the development of digitisation, automation and artificial intelligence to take on audit's grunt work. These tools are interrogating the data; interpreting is still a job for humans.

But what does this mean for the vast of swathes of practices that sit below the rarefied atmosphere of the Big Four? Will this service revolution impact you?

The short answer is yes. And it's already happening.

"If we talk about the practice of 2025, it doesn't seem that far away. But if you look back the same distance to 2009, you can see how quickly the power of technology develops," says Richard Anning, head of the ICAEW's IT Faculty.

While the inevitable trimming back and delay of Making Tax Digital has bought practices some breathing space to consider how they will operate with clients in the new reporting regime, many have begun transitioning to a different way of working – one that digitises and automates 'low maintenance' clients or straightforward services.

"MTD will be up and running in 2025, and government will be more

digital," says Anning. "That means many more people using accounting software."

There is nervousness in the market, concerns that the online software houses will replace the practices altogether. However, Anning believes digital government means "more clients will be looking for assistance, in terms of using the software and with tax advice".

Firms that don't see the change coming "could struggle" as automation provides opportunities for other practices, and some new ones, to take a more digital and process-led approach, Anning suggests.

"Lifestyle firms will just carry on, but MTD might be an opportunity to think about what they do," he says.

There appears a consensus that automation of basic accounts and tax production will lead to commoditisation – although what that means for your practice will come down to your imagination, or optimism.

For example, Carl Reader, a director at Swindon-based practice d&t, believes that sooner than we think, the whole process of accounting will be automated – with communication undertaken by 'chatbots'. Intelligent systems will be able to gauge behavioural change in the affairs of a corporate or individual with real-time information. The upshot of the decisions the system makes will be relayed to the client.

"Machines can follow a present formula of how to answer questions. When it becomes scary is when that really kicks in... we will programme a chatbot to answer questions, it will then pick up our language, and pick up trends before humans will," suggests Reader.

"Self-driving cars will be the tipping point. Once a 'robot' can handle all those complex options, then that's the point where every single job is open for review."

But by 2025? Paul Barnes, managing director of Manchester practice

Vipul's view



I agree that automation is going to play a big part in revolutionising the way practices and their people provides services and operate.

For our team members, I see them moving up the food chain in terms of the work they do – it will be higher level and earlier in their career than it is now. This will also be the case in our client firms.

There is a sea-change among the most progressive firms, of how their people work – whether internally-focused or facing clients. We see firms viewing businesses like AdvanceTrack as strategic partners helping deliver compliance work.

I think there will be fewer local staff, but delivering more per head, and, as Paul Barnes says, providing a range of services.

Firms will no longer be historic-looking – they will play a part in clients' financial and operational performance from start to finish with the aid of cloud technology.

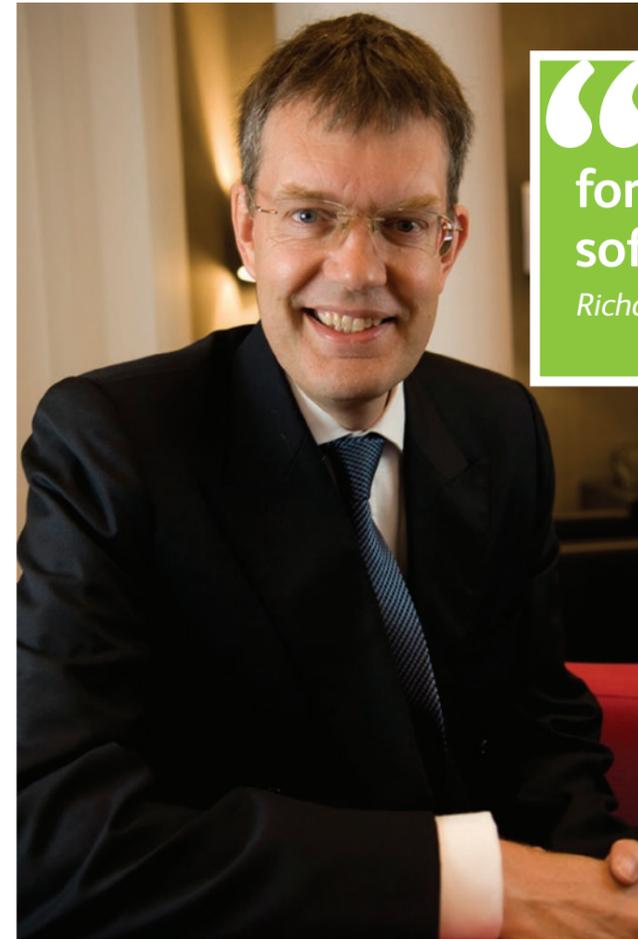
Vipul Sheth is founder and MD of AdvanceTrack

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“More clients will be looking for assistance, in terms of using software and with tax advice”

Richard Anning, ICAEW

For Phil Shohet, a long-serving adviser in the practice arena and a senior consultant with Foulger Underwood, there are implications for the number of practices and staffing levels due to automation and digital services.

"There will be fewer firms, and they will have fewer staff," he says. A move in the market towards specialisation of either service or sector will be driven by clients who will – as Barnes says – expect a better and more valuable service. This will lead to consolidation in the accountancy marketplace.

Automation will also lead to a different staffing mix – where fewer people will be needed to head up the processing and account handling, while partners develop business and provide higher-value consultancy.

The danger with this is, as has been seen in corporate finance functions, that removing layers of teams makes it difficult to build skills and loyalty. "You might remove the breeding ground for succession," Shohet warns.

Despite the concerns of robots using algorithms and computational skills to provide a better service than accountants, and the potential to damage succession planning, you are certainly needed now.

"Micro-businesses don't need advice," concludes d&t's Reader. "But for the 1.1 million businesses that have employees, the accountants' role will become more valuable over the next ten years. But there will be a tipping point where the machines will be good enough on their own."

My Accountancy Place, isn't seemingly concerned about self-driving cars, and thinks you should take note of the bigger practices – who are using cloud-based technology to access client data in real-time. More worryingly, for the high street accountant, he sees them scaling the systems to provide services to smaller clients.

"If you don't step up now, clients will look at bigger firms," he warns. "But it's exciting as well. Clients are expecting you to influence their business. They're challenging whether we're helping them grow."

Clients want to see that 'dashboard', he believes: "They want to know how to grow profit. Is it through increasing prices? Can we be more efficient? Can we reduce overhead?"

The more we're made 'redundant' from process-led tasks, the more we can operate at the level accountants have been trained and educated, says Barnes. Clients will still need compliance in 2025, but you will need to provide more to keep them. "Become their core finance function, deliver an 'FD service'," he adds.

He concurs with Reader in that systems will be "intelligent and highly automated", but he still sees a place for that human interaction – over the next eight years at least.

"As great as automation is, you need that relationship or person to provide client care," says Barnes. "Even automated systems require attention – things like bookkeeping – and I'm sure it still will in eight years. Clients will always – and should always – value a professional to oversee and on strategy. If it's all under one roof, that's where you'll win.

"The more automation, the more the client will get value from their spend on an accountant."



Kevin Reed is a freelance journalist and former editor of Accountancy Age

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