

## Four things accountants must do to keep up with technology

By Dustin Lubertazzi, Senior Consultant, Sageworks, Inc., May 16, 2011

Luca Pacioli, an Italian mathematician and Franciscan friar, is widely known as the Father of Accounting for publishing 36 chapters on the double-entry accounting method used by Venetian merchants during the Italian Renaissance. His book, *Summa de Arithmetica, Geometria, Proportioni et Proportionalita* (which translates, “Everything about Arithmetic, Geometry and Proportion”), was written as a textbook for students in Northern Italy at the end of the 15th century. Pacioli’s documentation of double-entry accounting and ledgers taught entrepreneurs of the day how to conduct business using timely and accurate financial information, and it established the fundamentals of accounting still practiced today.

Pacioli’s fundamentals were only feasible thanks to the written numeral system and the abacus developed before that. And since then, the industry has seen further and more ground-breaking developments including the introduction of the typewriter, then computers, and later the Internet. With each of these milestones, technology not only impacted how accountants handle financial information but also how they interact with their clients.

With the changing technological landscape, what must accountants do to stay competitive in the future, and how will technology change the future role of the accountant?

**1) Increase Value-Add Services to Retain Clients** – Compliance work is getting more and more standardized and streamlined due to technological advances. If you can shift time and resources from these commoditized services, focus more on becoming an indispensable advisor. Here are some tips on how to become a [trusted business advisor](#) to clients. It is no light commitment and might require a paradigm shift by some, but balancing compliance work and helping clients make strategic decisions to protect and grow their business is the role of the accountant for the foreseeable future.

Craig Weeks, a consultant to accounting firms, shares what he has seen in the industry and what role he thinks accountants should play, “One challenge the accounting field faces today is coming to grips with the incredible amount of financial detail their clients are both receiving and generating. The new frontier for accounting/tax related information services is filtering, assembling, prioritizing, and then presenting the most vital data in a format that is readily usable by the management team.”

**2) Differentiate Your Firm** – It is normal now for the buying process to begin online with a search engine. What makes your firm different from the firms listed ahead of you in search results or from the firms down the street? Do something to stand out when

speaking with prospects, and prospects will spread the word. For the initial meeting, familiarize yourself with their industry beforehand, provide something more to take home than your marketing brochure (maybe a one page document with a few areas of focus and strengths), and follow-up with a handwritten thank you note.

Many firms, like WithumSmith+Brown in Red Bank, NJ, have embraced the opportunity to utilize technology to differentiate their overall services to current clients. Justin O'Horo, Senior Manager at WS+B, calls it his duty: "Our responsibilities as CPAs command that we are our clients' most trusted business advisors, and with the abundance of technology solutions available it is critical that we use the right applications to help us maintain that status... [We are] relying on a multitude of additional platforms for the dual purposes of adding efficiency and effectiveness to our required procedures while simultaneously providing value-added service to our clients."

**3) Build an Online Presence** – If prospective clients start their buying process online, it is important for your firm to at least be among search engine results. That is difficult, though, if your firm does not maintain a Web site. According to the 2010 AICPA MAP Survey, 33 percent of CPA firms still don't have an active site. To attract new clients, you have to meet prospects where they are – online.

**4) Be Conscious of Your Clients' Time (or Lack Thereof)** – Business owners are busy running their business, so be conscious of their time and make things easy for them. Technology can help: (a) Make file transmission less of a hassle by giving clients the ability to connect with you online through a client portal. (b) Provide detailed information on your services through your Web site, so prospects and clients can easily find what they are looking for. (c) Stay in touch with them proactively and regularly; consider sending out an electronic client newsletter or other regular electronic correspondence.

Ultimately, when evaluating how to move forward with technology in your firm, it is vital to understand your market, clients, and the strengths that make your firm unique. Given how far technology in the accounting industry has come since the time of Pacioli, it is no longer an option just to provide timely and accurate financial information. Exploit new technologies in your client interactions, and you'll find that your firm is better prepared to gain and retain valuable clients.

**About the author:** Dustin Lubertazzi is a Senior Consultant for [Sageworks](#), a provider of private industry data, financial analysis, and risk management software for accounting firms and financial institutions. Lubertazzi has worked with hundreds of CPA firms and banks to implement Sageworks' solutions for standardizing and documenting regulatory requirements, and adding value to client relationships. Prior to Sageworks, Lubertazzi gained professional experience in consultative roles for Takeda Pharmaceuticals and Morgan Stanley. His degree is from the University of Virginia.

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