

Technology and global demands drive move to strategic adviser

Whether it is through artificial intelligence, using the cloud or simply picking up the phone to offer proactive advice, the role of an accountant is shifting towards strategic advice with an international outlook, argues Chris Downing, director at professional services firm Inspire

It is fair to say that the traditional perception of the number crunching accountant has evolved over recent years, with the advancement of new technology, cloud accounting, social media and also the public perception of accountants and the role they play.

During the current Covid-19 issues, I know a lot of business owners are sitting down and using this time as a reset and assessing where their business stands, how they do what they do while also asking themselves why they do it. Traditional accounting is becoming more commoditised and will end up being almost like a supermarket approach, favouring the person who can provide the cheapest service.

I believe that this then leaves two clear market sectors. The firms who will operate in the commodity and transactional-style relationship with clients, and secondly, the firms that are advice-led, offer value-added services to clients and charge accordingly.

There is, of course, a place for both in the market. However, it is important to decide where you and your firm sit, rather than ending up in no man's land; trying to compete on price, but also offering value-added advice, which internally will likely lead to lower recoveries, dissatisfied and potentially demotivated staff, and externally potentially confused marketing messages to clients and potential clients.

Talking to clients, they all mention proactivity as one of the key things they want from their accountant, or one of the things that they are not getting currently. It's also a very hard thing to articulate as it's something that is spoken about a lot, but not always delivered.

A lot of proactivity is facilitated by monitoring and good back office systems. For example, are there key times of the year that clients in certain sectors have issues? When was the last time you spoke to client X,Y or Z? What mechanism do you have for ensuring that you are on top of client contact and building that relationship with them, so that you are the one asking questions and not simply being quick to react when called upon?

AI and tech opportunities and challenges

If you pick up any survey that mentions artificial intelligence (AI) and the industries that are affected, it is pretty much guaranteed that it will feature accounting or bookkeeping of some kind, or even both.

This is not even a question of when; it is happening now. On a basic level you have programmes like Xero/Quickbooks with live bank feeds, which are trying to pick up details on invoices and post them automatically into systems and nominal accounts.

In the professional space, companies are investing billions in AI solutions for firms to use. Whether you choose to be a commodity-led or advice-led business, one thing is for sure, accountants will become consultants on software/apps, as much as on finance.

This does, however, offer numerous opportunities for helping clients, and to be seen as proactive and providing exceptional client service. For example, you can log into a client's cloud system, see what is happening with their profit margins in real time and advise proactively. This is something that is happening now, so imagine what could be possible in a few years' time.

Additionally, there are some things which AI cannot do. While it can definitely provide solutions to client problems, a lot of the time clients will want a face-to-face rapport with their adviser and someone who can understand the emotion of what they are going through.

Although AI may well be able to do this at some point in the longer term, the Covid-19 situation has shown us everyone misses human interaction.

It is therefore a case of working out how AI can sit alongside what you do and how you do it, to enhance, rather than detracting from it.

International outlook

In the UK and around the world, the position between what is legally allowed and what is morally allowed has become blurred. This is very much becoming a challenge and many of the problems stem from the complexity inherent in tax rules. If it was fairly simple and there was one tax rate that everyone paid, irrespective of what they were doing, then there would be far fewer loopholes.

Part of the issue is that tax rules do not always keep up with commercial reality. E-commerce and international trade are evolving incredibly quickly, but tax laws dealing with these are so far behind that it makes it a difficult area to understand. It is difficult to stay compliant, particularly when the rules do not fit the actual commercial reality.

As advisers, we have to be able to know when clients face an issue. While we do not need to become experts in tax in every country, the bare minimum is to understand where (geographically) clients are doing business, and whether they have sought local advice.

If you can start to establish networks in various countries that clients will likely be trading in, this will add real value and position yourself as the go-to adviser for a client. This can then further cement that relationship with clients, which we all strive for.

About the author

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