



THE IMPACT OF NEW TECHNOLOGY ON THE ACCOUNTING WORLD

Accounting is one of the worlds oldest professions. There's evidence of the practice dating back to 3300BC. Luckily, we've moved on from the simplistic form of accounting that was used back then. And, it's fair to say that technology has certainly played a big part in shaping the profession. Yet, the biggest impact has been felt over the last decade. No longer are accountants spending the majority of their time analysing figures on spreadsheets. Instead, they are able to perform complex functions with more accuracy and speed.

It's been a tough decision to make, but here is a summary of some of the technologies we feel will continue to mould the accounting world:

Mobility

Smartphones and tablets have redesigned how we find, digest and share information. Deloitte's annual Mobile Consumer Survey shows that four out of five adults (approximately 37 million people) own a smartphone. And, research by Ofcom shows that on average we spend 24 hours a week using our smartphones or tablets. Yep, a whole day!

It's fair to say that most accounting firms have refocused their service offering to take advantage of people's preference to using mobile devices. Cloud accountancy software providers, like Xero and FreeAgent have optimised their platform for use on mobile devices. The advantage of this is that accountants are able to stay connected with their clients wherever they are - in the office or on their travels.

Mobile apps are also changing the way accountants receive information. For example, the FreeAgent app enables users to upload pictures of receipts. The app extracts the key information and feeds this into the accountancy software. This makes it easier for accountants to process business expense claims. Plus, as the app handles all of the data input, the chances of human-error occurring are minimalised.

Cloud technology

Cloud technology is a term that is used to describe the process of moving data from physical devices onto the internet to be stored on remote servers and accessed when needed. Accounting systems were amongst some of the first to become available on the cloud. Today there are hundreds of cloud accounting software providers. Some are better known than others.

FreeAgent and Xero for example, are two of the more established brands. Cloud accountancy offers software applications that take the time and hassle out of completing complex functions. This enables accountants and their clients to access real-time information at anytime, anywhere and on any device, which has access to the internet.

The other benefits that cloud accounting has offer is that it's relatively simple and inexpensive to set up. Plus, the provider will handle any software updates, so staff are free to focus their work and not trying to fix IT problems. And, the systems can be customised to offer the services that clients really need.

Big data

It's estimated that a staggering 2.5 quintillion bytes of data is generated each day. As accountants, we never complain about having too much data as it makes us more informed to help clients make better business decisions. But, it's an impossible task to sort through and analyse large amounts of data manually.

Luckily, more and more systems are coming onto the market at affordable prices which enable accounting professionals to quickly and efficiently process huge amounts of data. For example, predictive analytic tools and customer insight reports can be combined to predict future sales.

Another area where big data technology is aiding accountants is in audits. There are systems which have the ability to scan through large amounts of text to highlight specific information. So, what once, could take days or weeks to complete, audits can now be done in a shorter time with increased accuracy.

Technology has and will continue to make it easier for accountants to perform complex functions. The unexpected result is that accountants can focus on services that add more value to their clients, such as financial planning and business consultancy. So, as technology continues to develop, the role that accountants play in business will continue to change.

