As part of ICAEW’s Tomorrow’s Practice campaign, leading professionals from the Bristol area came together to discuss the challenges facing accountancy in the digital age. Adrian Holliday reports

Get off the conveyor belt, think hard about what the future holds for the profession; talk, share. Those were the three priorities for an Intuit-sponsored roundtable, part of the Tomorrow’s Practice project initiated by the ICAEW Practice Committee, that brought together accountancy professionals from the Bristol region. The responses were fascinating and positive, despite some clear threats: how will cloud accounting affect the profession? How can the industry sell itself better in an era when so much information is available free of charge on the net? How will these changes affect the mix of services and specialisms on offer? And how many are encouraging their children to follow the same career path?

FREE VS ADVICE
Edward Corrigan of Bristol-based Corrigan Associates said he was increasingly aware of a freewheeling approach to information by some firms – often younger technology businesses bringing a DIY-first mentality to problem-solving. “Businesses in the early stages want to save costs as much as they can whereas the older businesses are more locked in. The younger ones challenge that.”

In other words, smaller businesses are having more of a go with statutory accounts as so much of the process is online. “If you look at the business end of tomorrow – kids currently aged around 17 or so – their outlook on life is utterly different,” said Matthew Lee of Bishop Fleming. “There’s a reluctance by those people to pay for advice because they don’t need to. They pick up most of the stuff they need to know off the internet. They’ve been brought up like that. So we’ve quite a big challenge as a profession to persuade people there’s a point in coming to us.”

But there’s financial illiteracy out there, whether you’re in front of a Google browser or not, added Mark Pooley of Hollingdale Pooley. “They [potential clients] might have the figures but they may not understand them. We shouldn’t under-estimate the value we bring to users, but also to the Revenue and the banks.” Meanwhile many clients have little idea of what a balance sheet actually says about their business, added Pooley. “What does this say about my liquidity, or what does this say about my working capital? That’s where we can add value, in language they understand.”

GETTING PERSONAL
Alison Godfrey from Godfrey Wilson focuses on work with charities. She takes the view that giving free information isn’t something to be afraid of. On the contrary, it can help draw clients and build relationships. “Charities have much lower audit thresholds,” she says. “We [also] have a certain amount of statutory work which keeps us going.” Smaller charities, Godfrey added, often don’t have in-house expertise and experience, helping the professional relationship root that bit deeper.

Clearly the abundance and sheer accessibility of technology is changing much of the daily professional grind as well as professional relationships. Acklands’ Timothy O’Keefe acts for a charity with two entities, one in Peru, another in Cambodia. Technology can be a Godsend, especially when you’re handling foreign currencies, he says. “Instead of having to cope with hundreds of spreadsheets we’ve got them on the cloud. That sort of technology is extremely useful.”

But look at it from the other end, suggested ICAEW’s Andrew Ratcliffe. What is it that technology can never do? “I don’t think a computer ever has a new idea, or can motivate or show empathy. And I don’t think that a computer can make a nuanced judgement, with competing interests. I’m not sure it can solve something in the round. And that does lead you to a relationship beyond the compliance, form filling and so on.”

It may also be about working differently, taking on new market segments. Financial services are now the fastest growing part of the practice at Francis Clark said Andrew Richards. “The competition don’t do it very well and provided we do it honestly and to a high standard there is a good market for it and it’s now integrated into our tax practice.”

Corrigan largely agreed about the potential for further service integration. “In my experience there can be a significant business model with a financial arm.” But it can be hard work integrating it, he added. “Thinking about solicitors, it’s a different business model, although it may well work within the very large firms. But in a small-to-medium-sized practice it could be quite a challenge. You’ve got to be really keen to do it otherwise you can upset the existing ecosystem.”

WHICH WAY?
David Lemon from Saffery Champness said he regularly mulls over professional service options; but he doesn’t go near IFA work or insolvency: “We’ve stuck to what we’re good at. We’ve debated probate. But the reality is that for every up-side there is, we are going to upset other people.” This was an area Andrew Beckingham from Leonard Curtis had also considered: “Some people have turned probate down for the same reason David did; upsetting too many lawyers. I understand that but maybe we need to be braver?” The debate then turned to fraud, increasingly
committed via the internet. Modern thieves are very well organised and sophisticated with how they handle the proceeds of crime, warned Andrew Ratcliffe. “What we do more of, increasingly, is help people protect their information. Particularly holding information for others. Banks, naturally, are concerned with holding information about investment decisions. Frankly, there is no such thing as a completely clear, secure system.” The security issue clearly poses concerns for smaller companies too, which often have to keep to tight budgets. “I think that general practices can need help on their own IT and on their own data protection because software for smaller companies can be quite expensive,” said Kara Williams at Ellis Lloyd Jones. And Tim O’Keefe, from Acklands, said they recommend clients host it themselves, “meaning you get encryption automatically and updated software and security. That would be our standard solution.”

The profession faces another challenge, added David Cook from DRC Forensics: non-qualified, back-street accountants. “They will do a job very carefully and, in some cases, bend the rules. There are some quite large organisations [in this space] that are below the audit limit. Those type of clients, non-audit, they’re very much looking for management information and financial advice but there is no regulation or structure as to how much work is done. I’ve seen quite a few nasty negligence claims against accountants not performing properly.”

INDUSTRIOUS, MOTIVATED
What of the future, then? How much optimism was there on the ground, from experienced professionals with an enormous range of competencies? “What gives me enthusiasm for the future is looking around the office and seeing all these youngsters – you do get a lot of energy back from them,” said David Lemon. “Sometimes I don’t know when they’re in and when they’re out, but they get the job done. Their enthusiasm rubs off on the clients.”

Matthew Lee’s experience was similar; young people entering the profession are impressively industrious and motivated. “Probably more so than I was when I joined,” laughed Lee. “One thing I would say is that people often tend to do business with people they know, or like, or trust. As a profession we’re probably acknowledged as trustworthy and knowledgeable. But I’m not sure we have a public persona as being likeable. There is still this dullness about accountancy.”

Lee recounted how, at an international accountancy conference, one of the speakers asked how many people were encouraging their children into the profession. Very few, was the answer. “Somehow,” Lee went on, “we need to get the message out that a) you might need an accountant and they do a lot more than you think they do, and b) they’re not the stereotypical idea of what many people think accountants are like.”

Perhaps, but do you really need to worry about what other people think of you? As Andrew Beckingham suggested: “I don’t need to be loved. But I do assertively demand to be trusted and as far as giving a message to ICAEW, I ask, please, that you remain the custodian of our values.”

Mark Pooley finished the debate on a high note. He said he belonged to a profession that, with ICAEW support, was always looking ahead. “First, we’re here. There is a lot of help out there. The fundamentals remain: good relationships, good business. And technology can help you do that. There will always be space for inspiration, for ideas from clients. I see a bright future.”

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