2019 Top 100 People extra: Critical issues

As part of this year’s Top 100 Most Influential People survey, Accounting Today asked, “What is the most important issue currently facing the accounting profession?”

The full responses of all the candidates are below.

Increasing client expectations is a critical issue facing the accounting profession at the same time that they are facing declining expectations for firm growth (Accountant’s Confidence Index). To improve that outlook, accountants have an opportunity to leverage technology and integrated software suites to focus on providing both higher value advisory services and to create a more streamlined client experience.

Ever-changing and increasingly complex tax laws present an opportunity for accountants to demonstrate their value by tailoring and sharing insights matched to individual clients. For example, intelligent dashboards powered by analytics can highlight how a Tax Code change impacts a specific client. With this insight, professionals can spend their time advising clients, in the moment, on the best next steps to take. As a result, a firm can improve productivity and elevate its relationships with clients, leading to additional revenue streams.

— Karen Abramson, CEO, Wolters Kluwer, Tax & Accounting Global Division

I believe the most important issue facing the accounting profession today is the need to evolve how the work is performed to keep up with the rapid changes from the impact of technology on our clients as well as our own work. The larger firms are all making significant investments in advancing the technology deployed in the execution of audits, to drive increased use of analytics and cognitive approaches in their audits, and to evolve the capabilities of their auditors. This is set against an evolution of the finance function’s capabilities, as many finance and controllership organizations are beginning to transform their organizational capabilities, ranging from implementation of cloud-based finance systems to the use of robotics and analytic predictive modeling into their financial close processes. This evolution to modernize the way audits are executed is critical to continue to improve the quality of audits as well as the attractiveness of the profession.

Outside the U.S., the most important issue is the political support for increasing regulation over the audit profession beyond what we are seeing in the U.S., which could have a significant impact on the profession and, depending on the extent of the regulation, could have an impact here in the U.S.

— Lara Abrash, Chairman and CEO, Deloitte & Touche LLP

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There are really two key issues impacting the accounting profession today: the ability to attract and retain talent and the ability to innovate.

First, attracting and retaining talent: Like all other professions, the accounting profession is experiencing the challenges of a historically tight labor market. It’s no longer enough to offer challenging work and competitive compensation and benefits. Today, employers must offer workplace environments that are inclusive of today’s diverse workforce, as well as their diverse clients/customers. Employees (and clients) also want to know that they’re working for an employer that’s focused on more than just profits. They want to work for employers working to leave things better than they found them — and that’s right in line with RSM’s core value of stewardship. Today’s employees want to feel that their individual contributions are meaningful. And at RSM, we strive to provide such an environment for our people.

At RSM, we’re focusing on creating an inclusive workforce that’s attractive to a diverse employee population – in terms of culture, diversity and inclusion, as well as in terms of the variety of jobs we have available. This requires redefining traditional recruiting models and ensuring that we offer a brand that’s compelling for employees. Our “power of being you” positioning is helping us do that.

The future accounting workforce will include new skills in addition to those traditionally seen in the profession. Cybersecurity experts, data scientists, computer programmers and other non-traditional CPA-firm hires are already entering the profession, and more are on the way.

In addition to attracting people with new skills, it will also be important for firms to continually upskill their talent to keep up with the evolving pace of technology and business throughout the course of their careers. RSM has various programs in place to do this. Our rotational programs enable people to experience other lines of business and specialty areas. Our global mobility programs provide opportunities for people to build global business skills. And our breakthrough industry eminence program is building the digital-savvy leaders of the future. These specialty programs, along with continuous advancement of our technical and non-technical learning programs, are enabling us to build new skills within our existing talent base.

Next: innovation. The world is changing at an exponential rate, and the accounting profession must be at the forefront of that change to be able to continue to provide value to our clients. Under the leadership of our chief strategy and innovation officer, Jeff Johannesen, we’re defining the important role technology will play in our future. We’ve made a lot of innovative changes and announcements under Jeff’s leadership, and we have more in the works.

One of my personal favorites is our CEO Innovation Fund, which sets aside $5 million annually to fund the innovative ideas of our people. It is truly exciting to see the great ideas from people across RSM, and it’s rewarding to be able to fund them to create value for our firm, our clients and our profession. I can’t
think of a more exciting time to be in the accounting industry.
— Joe Adams, Managing Partner and CEO, RSM US

Manual accounts payable processes are a burden in the accounting profession. AP is the most time-consuming function in the finance department. They are not only cumbersome, but they also expose a company to unnecessary fraud liabilities. Fraudulent activity in the advertising network space alone is over $16.4 billion annual. Recovering from any fraudulent activity can be very expensive, particularly when you factor in cross-border transactions. With certain payment methods, it might even be impossible. Technology can not only automate the slow manual processes, but it also does a better job at identifying risk. For example, Tipalti Detect has already blocked more than 7,400 payees and saved approximately $4 million in potential fraud risk.
— Chen Amit, CEO, Tipalti

I think the biggest issue we are facing is our relevance. CPAs in public practice have become basically compliance junkies through their traditional services (audit and tax) and need to move to a broader client service mindset. The fear that is evidenced by protecting the compliance orientation (focusing on how technology will impact the level of effort needed to deliver these compliance-oriented services) is delaying the progress that we can be making. I believe we need to figure out how to successfully use the impact of technology for the good of the profession. The application of new technologies will allow us to get rid of the ticking and tying that most of us dislike anyway. Instead, we can challenge ourselves to look at more important things for our clients.

I honestly believe that there is a shelf life to the audit of an historical financial statement that is shorter than we think. We will be quickly moving to real-time, transaction-based monitoring, and we need to be in a position to garner insights from these new data. It will be a change from looking in a rearview mirror to looking ahead.

This change will require an enhanced set of skills and knowledge – a lot of data analytics and reliance on our critical thinking acumen. But we will not be walking away from our hallmark professional skepticism that puts us on the top of the list of those whom clients trust.
— Alan Anderson, President and founder, Accountability Plus

Change management. We live in an age of tremendous technological changes and making sure the workforce in the profession is digitally fit to capture the opportunities ahead is really important, but first and foremost requires the right leadership and perspective. As an old proverb says, “It is better to follow an army of sheep in battle led by a lion, than an army of lions led by a sheep.”
— Solon Angel, Founder, MindBridge AI
The most important issue continues to be the impact of technology on the way accountants work. Technology continues to replace much of the compliance work of data entry, analysis and collection. Older professional will have to be able to leverage technology and develop a platform to extend their value proposition. Technology changes will force the accountant to do more value-added work that solidifies the relationship with the clients. Technology will also cause more firms to develop compelling brands and service delivery models.
— August Aquila, CEO, Aquila Global Advisors

The shortage of qualified talent. As the unemployment rate remains very low across the country, it is a challenge to find skilled accountants or high-level talent at the rate that we are growing.

To continue to recruit qualified employees in the competitive marketplace, we’ve developed employee benefits that go beyond the basics of typical accounting firms, including flexible schedules, volunteer days, opportunities to participate in company sports like yoga or softball, professional development clubs like The Women of MBAF and much more.

We’ve created a family-like culture committed to providing employees an environment where they can grow and succeed, and we are proud to be a Best Place to Work.

Another major issue the profession is facing is the introduction of artificial intelligence. To remain competitive, accountants should stay constantly educated on evolving technology like AI and robotics to help improve efficiency. While I don’t think AI will ever fully take over the jobs of those in the accounting industry, I do think it will bring major change that will require hefty investments in different technologies.
— Tony Argiz, CEO and Chairman, MBAF

Clearly the most important issue facing the accounting profession is the overall role of technology in the evolution of the practice and services. Without a doubt, technology is transforming the practice of accounting and providing incredible opportunities for firms. The key for the profession is understanding that technology is just the enabler. Whether you’re in public practice or business and industry, the key driver of success will be your business strategy and talent plans related to harnessing these new capabilities.
— Erik Asgeirsson, President and CEO, CPA.com

From a macro level, I see the changing technology landscape as a paralyzing reality. This is extremely broad and rears its ugly head in so many ways: during M&A, when expanding a firm’s CAS division, when planning for succession, etc.

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On a micro level however, the core struggle I see at firm after firm is all about execution. I can’t tell you how many firms I speak with who truly “get it,” but are still somehow stalled in hitting the “go” button. Some of this is simple fear of change, some may be plain old logistics, and for others it may be that it’s honestly easier to keep trucking along as-is (even when they know there is a better way). The key to success is pin-pointing that hurdle or barrier and breaking it down so the momentum can build – that’s when it gets fun!

— Kim Austin, Business Development Manager, Intuit

Technology is the most significant driver of change in the industry. Financial statement audits, as well as other attestation services, are becoming commoditized. To address the pace of change, accounting firms need to evolve from traditional service providers to value providers. Accountants need to provide services and results faster, which means the profession as a whole needs to evolve, from firms to internal accounting departments.

It’s easier said than done, but tech-enabled services and professionals aren’t just the way of the future, they’re table stakes now.

— George Azih, Founder and CEO, LeaseQuery LLC

It continues to be relevancy. Excessive regulation remains a close second, since over-regulated industries are not hotbeds of innovation, dynamism, and risk-taking. In that spirit, I believe the profession should relinquish (or lose) the audit monopoly, which would allow competition to bring innovations to market. I’m also encouraged by the states that are exploring occupational licensing deregulation. It’s absurd to equate CPAs with doctors, and I don’t believe CPAs should be licensed by the states. They should be self-regulated, like actuaries, and rely on reputation, insurance, and other free-market alternatives, to maintain quality and protect the public. To believe government regulation accomplishes these objectives is to ignore literally decades of economic empirical evidence that all occupational licensure does is limit competition, innovation, keep prices artificially high, and protect the license holders from the public, not the other way around.

— Ron Baker, Founder, VeraSage Institute

The accounting profession has tarnished armor. The profession was founded on lofty ideals that carved out a respected niche that embodied ethics, independence and objectivity to serve the public interest. These ideals have been challenged over many generations and through many crises. Yet we still see adjudications that suggest a failure to consistently live up to these ideals. It is important that CPAs always be seen as stewards of the public trust. Although the vast majority of professionals live up to these standards and in fact embody them, as we enter a new future that will look much different from the past 100 years, it is increasingly important that the profession stay focused on its core ideals.

— Joanne Barry, Executive Director and CEO, New York State Society of CPAs

Disruption is the most critical issue. Accelerated technologies, changing talent demands, talent shortages and the need for evolving skills are all disrupting the profession in a way never seen before. If
a firm is not nimble, and cannot ably deal with the rapid disruption, it will become irrelevant.
— Tom Barry, Managing Partner, Green Hasson Janks

Change. Change is affecting the profession in many ways with technology and diversity. The AICPA estimates 75 percent of today’s CPA’s will retire in the next 15 years. If one is not open to change, one will not be successful.
— David Bergstein, Digital Evangelist, Intuit and BergsteinCPA

Meeting the high standards of regulatory reporting and analysis given the emerging business models facing clients and companies.
— Michael Bernard, Chief Tax Officer — Transaction Tax, Vertex Inc.

Finding the right talent is one of the most important issues facing our profession. The skills required of accountants today are becoming increasingly diverse and specialized. It’s really a marriage of technical expertise and strategic problem-solving. Our clients are facing complex issues and there are many opportunities for us to help in ways that leverage our diverse skillsets, experiences and technologies, and that also offer continual professional development opportunities for our people.
— Wayne Berson, CEO, BDO USA

Loss of control over accounting — accountants’ core service. External forces and clients have stronger control over client accounting than accountants themselves.
— Chandra Bhansali, CEO and Co-Founder, AccountantsWorld

Juggling the demands of today and tomorrow is the key challenge for both professionals and firms. How do you stay competitive and boost profitability, while also keeping up with technology trends and maintaining relevance as a professional? Balancing these short-term and long-term demands is a crucial issue for every professional accountant. It requires strategic implementation of technology and an openness to change.
— Sharada Bhansali, President and Co-Founder, AccountantsWorld

From my perspective, the most important current issue facing the profession is the legislative effort to deregulate the profession. Anti-regulatory bills introduced across the country, primarily with argument of increasing employment opportunities, range from eliminating education and testing requirements to the elimination of certification and license.
— Ken Bishop, President and CEO, NASBA

Finding qualified committed team members so that firms can grow.
— Jason Blumer, CEO, Blumer CPAs and Thriveal CPA Network
Talent and the need for diverse unique ability teams to meet the wants and needs of clients. The day of the rugged individual is over.
— L. Gary Boomer, Visionary & Strategist, Boomer Consulting Inc.

The need for transformation and an underlying complacency is the most important issue. The number of changes that will impact our profession and the pace at which they are proliferating is unprecedented. At the same time, many in the accounting profession haven’t felt enough pain to force proactive change to ensure their future readiness and success.
— Jim Boomer, CEO, Boomer Consulting Inc.

Change is happening at an unprecedented pace. This change is being fueled by technology. I am really concerned with those firms that are not embracing this change. Firm leaders need to face the reality that revenue streams from compliance services will decline. Those revenue streams need to be replaced now! The profession has the ability to own the advisory space, but firms cannot wait until the 11th hour. Start hiring individuals that can build out these new verticals now. Hands down, that, in my opinion, is the most important issue our profession is currently facing.
— Jim Bourke, Managing Director of Advisory Services, WithumSmith+Brown

A lack of vision about what the future CPA looks like. I think there are a lot of ideas floating around about what technology means for the profession, but I don’t see an inspirational ideal of the future. The great news is that the brand of the CPA is as good as it gets and there’s so much to work with; the profession just needs to clearly articulate the value not only to consumers of CPA services but to the pipeline of students making vital decisions about what they study.
— Jennifer Briggs, President and CEO, Indiana Society of CPAs

I am very concerned about the lack of due diligence by trusted advisors with regards to their lack of attention to the serious issues surrounding fraud in business, whether it be cybercrimes, occupational fraud in the workplace, tax fraud purported by the business owners, or other areas that are ruining our small business community.
— Dawn Brolin, EVP of Business Development and Compliance, Powerful Accounting powered by Out of the Box Technology

The utter breakdown of the tax legislative process in Washington, D.C.
— Paul Caron, Dean, Pepperdine University School of Law

The greatest challenge facing the profession is one that continues to evolve — and that certainly brings with it a sense of urgency: being able to differentiate what the professional accountant can bring to his or her role versus what emerging technologies — specifically, artificial intelligence, robotic process automation, and others — bring to the table. In other words, how can we leverage our professional
judgement to clearly differentiate ourselves from AI and other technology solutions? Inherent in this challenge is how we handle the extraordinary pace of change, which will require letting go of any belief we may still harbor that the way we’ve always done things will suffice. This must be done in a way that allows for the embrace of new technology as a resource and not merely as a way of replicating what the accounting profession does.

— Richard Chambers, President and CEO, Institute of Internal Auditors

Shrinking talent pool and firms not proactively developing successors to retiring partners

— Shehan Chandrasekera, Head of Tax Strategy, CoinTracker

The shift from low-value, redundant work to high-value, strategic services – driven by disruptive technology and automation. And it’s happening at an accelerating rate! This is pressing firms to reimagine their future. Successful practitioners are transforming their legacy firms from heavy compliance (tax, audit and write-up) work to high-impact consulting – providing deep insights beyond the debits and credits, positioning themselves as highly valued, strategic business partners with their clients.

— David Cieslak, EVP and Chief Cloud Officer, RKL eSolutions

I was just with some PCPS firms of all shapes and sizes, and the overarching theme was people — finding them, keeping them and developing them. Many said they are out of capacity and looking at creative ways to fill the void. There was talk of collaboration amongst firms. One firm has even hired a talent coach to work with staff to help with their development. There was consensus that not everyone may be in the right role.

This same trend was expressed within our Major Firms Growth Council too, but with a twist. Their concern was how to improve middle performers to be better performers. The council was also concerned with accountability, particularly as partners are at the end of their careers.

I believe everyone is challenged as the business model changes to have the “right people on the bus” (Jim Collins, “Good to Great”) and what that will ultimately look like.

— Lauren Clemmer, Executive Director, Association for Accounting Marketing

There are several important issues affecting the accounting profession, including the compression of tax season. Many years ago, most companies were required to adapt to having Dec. 31 year-ends. This change created a compression in the profession’s busy season, which inevitably lead to several factors that currently affect the industry as a whole: burnout, excessive overtime, and last-minute client service, all of which could be avoided. One of the more severe results of a compressed tax season is that it often causes women with families to exit the profession, which is truly detrimental to the profession. The
accounting industry is losing some of its top talent because our industry’s leaders haven’t made it a priority to solve the busy season dilemma.

Additionally, the 120-hour rule is incredibly restrictive to those who have the time and resources to attend school for a minimum of five years in order to qualify for the CPA requirements. This rule restricts students who lack the resources to fund five years of school, men and women with a family at home, veterans, and other hard-working, intelligent candidates. It’s a big reason why many firms, including Citrin Cooperman, have had to look outside the U.S. to find qualified talent. Our firm will not support any accounting profession organizations that are not actively working to fix these issues within our industry. I look forward to continue to work with like-minded industry leaders on finding solutions for these and other issues affecting our firms.

— Joel Cooperman, CEO, Citrin Cooperman & Co.

A massive change in the business model.

— Gale Crosley, President, Crosley+Co.

The rapid and exponential change in technology including artificial intelligence, robotic process automation, blockchain, and cloud applications, has created a need to attract and retain staff that can successfully manage these technologies in a way that delivers real value to both clients and firms. I was at the Thought Leader Dinner at the AICPA Engage conference this year where Barry Melancon was asked if the rate of change in technology would slow down any time soon – he responded: “This is the slowest rate of change we will ever see.” I believe he is absolutely right. I’ve been in the accounting software business for over 30 years where the only constant is change and it has been accelerating for that entire time!

Of course, like any challenge it also creates opportunity … we must be intentional, proactive, collaborative, and bold in how to turn these challenges into successes.

— Kevin Cumley, Director – Sage Intacct Accountants Program, Sage Intacct

The most important issue is writing ourselves into the future.

Business and accounting as we know it is rapidly changing. From the constant march of new technology to growing climate risks and geopolitical uncertainties, there is disruption across business and civic life. And as business models change, the role of accountants is changing with it.

As a profession, we must address these issues head-on. Accountants are well-positioned to lead in many areas, but we must be able to anticipate and embrace change. The future is ours to lose – or win.

— Kevin Dancey, CEO, IFAC

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The accounting profession is going to face a challenge regarding the talent pipeline serving the compliance, security, and risk sectors. As technology is outpacing regulations and compliance, companies will need to find the brainpower necessary to keep up — specifically, we’ll need personnel who are well-rounded and understand the accounting, technical, legal, and compliance complexity as well as the impact to the business. Clients are overwhelmingly becoming technological companies — look at Tesla, which, these days, is much more than an automobile manufacturer, or GE, which now connects previously simple refrigerators and microwaves through the internet of things. Clearly, as organizations continue to transition and expand their technological capabilities, the data management and safeguarding aspect that can impact financial accounting and internal controls will need to be a top priority going forward; however, the talent pipeline is not full — and you can’t hire what isn’t out there.

— Avani Desai, President, Schellman & Co.

Our ability to “un-learn and re-learn.” While we diligently work to prepare for what is on the horizon, and what it will mean to the profession, the pace of change is higher than at any other time in history. The reality is that we can’t even imagine what our industry will actually look like in 10 to 20 years. So, we must always be adapting. We will most certainly see more consolidation as required investments in technology, innovation and consulting service offerings increase the cost of doing business for firms.

—Ted Dickman, CEO and Governing Board Chair, BKD CPAs & Advisors

While there are many issues, I think one key root issue is how relationships fit into running the business. As our profession evolves, we are asking our firms to be more relational than ever before. This might come as a surprise since many firms and partners believe that they have great relationships with their clients and in many cases that can be true. However, I believe there is a lot of opportunity for the profession as a whole to improve here.

The transition of the profession to be more consultative will require deep relational skills and a comfort level with conversing on topics many never broached. It will be critical for any professional and firm competing going forward.

— Sarah Dobek, President and Founder, Inovautus Consulting

The most important issue currently facing the accounting profession is modernization of audit and attestation standards to embrace and recognize the rapid pace of change with evolving technologies and an ever increasingly complex business environment. Auditors in today’s environment need to be encouraged, through standards that are relevant to today’s and tomorrow’s business environment, to use technology and innovative audit techniques to enhance audit quality and maintain the relevance of the profession in our economy.

— Bob Dohrer, Chief Auditor, AICPA
One of the most important issues facing the profession is the challenge of integrating new technologies while continuing to enhance audit quality at the same time. At KPMG, we are using emerging technologies such as data and analytics and artificial intelligence to help conduct high-quality audits aligned with professional standards. It will be critical for the profession’s workforce of tomorrow to have the skills to use these technologies. As we build the talent pools equipped with these skills through initiatives like the KPMG Master of Accounting with Data and Analytics Program, it will be very important to focus on workforce diversity and ensure it reflects the broader marketplace.

— Lynne Doughtie, Chairman and CEO, KMPG

The most important issue facing the accounting profession involves people. People, process and technology are the key pillars in most organizations, yet of these, people represent the greatest opportunity and also the greatest challenge. With a fully engaged team, we are able to crowdsource new ways of adding value to our clients, customers, business partners, etc. Conversely, if our team members don’t believe in the change or new initiative, they may resist change and/or inhibit the organization’s progress.

I am confident that we will get the technology and processes correct. We must challenge ourselves by asking these questions: How do we evolve our skill sets and bring colleagues along in time to remain relevant? How do we reach students more effectively and convey the value proposition of being a CPA? How do we ensure an inclusive environment? How do we retain and advance colleagues across the various segments but especially public practice? And how do ensure that CPAs remain the preferred and trusted advisor for their clients, customers, and business partners?

— Kimberly Ellison-Taylor, Executive Director – Finance Thought Leadership, Oracle, Cloud Business Group

Transitioning from an audit and tax return compliance firm to an advisory and consulting firm (working on future challenges and providing solutions).

— Domenick Esposito, CEO, Esposito CEO2CEO, LLC

No matter which “issue category,” it all comes back to change. Whether it’s succession or technology or human capital, it’s change. Everything is changing, including behaviors and desires, and we are being forced to adapt to change, even how we adapt is changing. How we learn, how we teach, how we listen — it’s all changing. While all professions are facing this issue, the accounting profession not only has the professional services side to deal with but the compliance and standards side as well.

— Kim Fantaci, President, CPA Firm Management Association

The most important issue today is staffing, and that can be address in two separate but related areas: First, fewer individuals are taking the CPA Exam, and second, once they get the designation, they are leaving the profession. As the demands of the tax preparation aspect of the profession have grown over
the years, more people have made a “quality of life” decision, and use their CPA designation in other ways, which allow them to have what they feel is a better balance between work and family.

A frequent topic of discussion within NCCPAP, at chapter meetings, our online discussion boards and our National Conferences, centers around staffing and succession planning. We are in profession where the average age is increasing. With fewer people staying in the field, finding and keeping staff seems to get tougher every year. An unfortunate byproduct of our profession is that many CPAs feel that their retirement will be funded by the sale of their practice. With fewer CPAs in practice, the result could produce a buyers’ market, causing the value of firms to diminish.

— Neil Fishman, President, NCCPAP

Keeping up with the changing business landscape presents both opportunities and challenges. For example, investors and stakeholders are demanding more information from companies about how they run their businesses, and the profession has an opportunity to help the marketplace understand that information and help audit committees and boards ensure that their companies have robust controls around the gathering and reporting of that information.

— Cindy Fornelli, Immediate Past Executive Director, Center for Audit Quality

According to our research, accounting firms identify their top three challenges as a shortage of top talent (49.1 percent), downward price pressure on services (48 percent), and commoditization of services (48 percent). Taken as a whole, the most important issue currently facing the accounting profession is how the industry will adapt to the modern business world. Much of today’s compliance work, for instance, is becoming automated and commoditized. Changes like these will demand new business models and require new roles for tomorrow’s accounting firms.

— Lee Frederiksen, Managing Partner, Hinge

The most important issue facing the accounting profession is change. I feel that more has changed in this profession in the last 10 years than in the last 50. And the next five to 10 years will see yet another complete transformation of the profession. Whether it’s how to deal with ever-changing laws and taxes regarding international trade and e-commerce, cryptocurrency, the next big app, what syncs with what, or the impact of technology on accounting or the fight against fraud, the pace of change in this profession is positively dizzying. It’s a challenge to keep up with all these changes and still work in the profession!

— Esther Friedberg Karp, President and CEO, EFK CompuBooks Inc.

The most important issue facing the profession is the war for talent. Talent defined as diverse in skill set, and culture. According to an article from February 2019, less than 50 percent of all students pursuing accounting as a profession are ethnically diverse. In order to meet the needs of the clients of the future, the profession will need to mirror their clients in culture, language and expertise beyond the numbers. It
is our responsibility to connect with the future accounting leaders so they can identify accounting as a career path, then coach and mentor them to become the team members we need in our firms. We cannot lose future talent because they see accounting as simply number-crunching, they need to see and learn that the language of international business is accounting and we need to encourage them to join us.

— Arthur Garcia, President and COO, ATAX

Automation of data entry from apps, accounting software, cloud integrated systems, and artificial intelligence. These are not issues to the public, they are wonderful technologies that are making people’s lives better; but many accountants who fail to embrace it and/or mold their services around these technologies are mostly in thread of irrelevancy. Our industry needs to lead the change, not try to resist it.

— Hector Garcia, CEO, Quick Bookkeeping & Accounting

Talent. While AI and automation are incredibly important and exciting, all the discussions about the change in the profession emphasizes my key belief: We need to pay more attention than ever to the human side of the accounting profession. Attracting and retaining talent – especially the right talent – will continue to be an issue for top-performing organizations.

Companies and firms say an individual’s extracurricular activities give them an edge in the hiring process, but then firms forget to give people time to pursue extracurricular activities, let alone encourage them to share these activities with others at work. In order to attract and retain top talent, organizations need to remember that they hired the whole person, not just the accounting degree.

— John Garrett, comedian, consultant and “Recovering Accountant”

The profession’s ability to adapt to — and master — changes in financial reporting technology remains our most important issue. Technology gives us the potential to deliver more relevant, more timely information to our financial statement users.

— Russell Golden, Chairman, FASB

Relevance. CPAs have boxed themselves into a corner, low-bidding on compliance work that a lot of buyers don’t see as having much value. Competing on price just further eroded whatever value was perceived there. We turned ourselves into “just a vendor” to a lot of them. For a whole lot of reasons, it’s time to reverse this. I see some good action taking place but there’s still a lot of work ahead to elevate us back to highly valued strategic business advisors across the board.

— Michelle Golden River, President, Fore

As with many professions in today’s world, the accounting industry is changing rapidly. New technologies are constantly emerging, making it essential that the modern accountant is not only up to
date on the latest tax and compliance laws, but also understands how technology can benefit their practice and clients.

We’ve seen accountants embrace everything from Windows to the cloud to mobile to apps — and now we have entered an age where automation and machine learning are changing the ways accountants can deliver value for their clients. These real-time data insights into the performance and financial health of a small business give accountants the opportunity to proactively share strategic counsel to their clients.

At Intuit, we view this as less of an issue and more of an opportunity for accountants to evolve how they serve their clients. I’m excited to see more accountants adopt emerging technologies, impacting their ability to grow and manage their practice.

— Sasan Goodarzi, CEO, Intuit

Changing the mindset and the firm and leadership model in accounting firms is the big opportunity/issue. Firms that understand the need to let go of the way things once were and empower and equip their teams to address the real needs of clients and team members will be successful. Those that do not adapt will be left behind.

— Angie Grissom, President, The Rainmaker Companies

Making the appropriate decisions for long-term success in a complex environment with technological change, globalization, standards/regulation change, political instability, and tight labor markets.

— Thomas Groskopf, Technical Director, AICPA Center for Plain English Accounting

The reporting ecosystem is rapidly transforming in response to the demand for – and the availability of – non-financial information. This information is critical for well-functioning capital markets. The accounting profession can continue to add value in this new era of reporting, but the scope of things that we measure, classify, report, and assure will need to expand, as will the set of tools that accounting professionals develop. Otherwise, we run the risk losing relevance.

— Jeffrey Hales, Chairman, Sustainability Accounting Standards Board

Trust. I’ve always argued accountants are in the trust business. World markets operate on the rails of trust laid by accountants. Trust is now more important than ever. Emerging technology has enabled bad actors to erode public trust in the systems and institutions that are core to markets and modern political systems. Ironically, this same emerging technology can enable accountants to not only rebuild that trust, but also to enhance it. The ethical application of AI can transform our systems of trust by greatly enhancing the reach, coverage, and scope of review. Blockchain, which has a bit of a black eye today, can replace yesterday’s systems of trust that rely on sampling and periodic review with systems that assure every transaction and allow for instant review. Accountants, among the most trusted
professionals in society, are uniquely situated to leverage technology to protect and enhance trust.
— Aaron Harris, CTO, Sage

Our willingness and ability to make changes. With technology changing at a rapid pace, we are forced to change how we will deal with our clients. We can’t control client expectations, so we better be ready to change to meet those expectations.
— Roger Harris, President and COO, Padgett Business Services

Doing change management well. Historically, our profession has struggled here as a whole. Change is coming rapid fire — technology, regulations, customer expectations — and it will not slow down any time soon. Firm must be able to adapt to these changes while holding onto their real identity and staying connected with the value they are bringing their customers.
— William Hill, Product Manager, Tax Professionals Advisory, Thomson Reuters

How to reposition and reimagine accountancy for the 4th Industrial Age. The future is continuing to accelerate and disruptions from outside the profession are on our doorstep. There is a need for CPAs to embrace and extend new ways of working, adopt a culture of innovation and accelerate the transformation of their work. This will require new skills and new ways of learning. This transformation is even more challenging as we face the largest “shift change” in history with the baby boomers retiring at 10,000 people per day and millennials are now the dominant generation in the workforce. The bottom line is that we need to elevate and accelerate this transformation to keep our profession relevant in this rapidly changing world.
— Tom Hood, CEO, Maryland Association of CPAs and Business Learning Institute

The workforce shortage of CPA Exam-eligible accounting graduates
— Laurie Lambert Hopkins. Partner, UHY

As the business world continues to be transformed by the digital economy, so follows accounting and finance. A few years ago, machine learning and the API economy were just emerging. They are now commonplace and continue to transform the way accountants work.

The profession is largely built around periodic and predictable cycles — from annual closes to internal audit processes to periodic tax reporting. As businesses and regulators continue on their digital transformation journey, these cycles will quickly shift to continual loops, driven by technology.

In tax, we’re seeing it already. For the past decade, Sovos has been working to help reduce the friction between businesses and governments, enabling continual audits to e-invoices in more than 60
countries. That process has shifted value-added tax enforcement to the transaction level, posting tax in the middle of every major accounting process — and closing tax loopholes.

For accountants, that means the end of period tax reporting is on the horizon. Imagine assessing and remitting income tax every time you issue a paycheck. That’s what we now support for VAT in Latin America, Europe and Asia Pacific.

And still, tax is only an example. Nearly every accounting practice will follow a similar path. So, accountants must now prepare for continual closes, rather than annual ones. They must ready themselves for technology-driven audits, and be ready for what technology has in store for the industry.

— Andy Hovancik, President and CEO, Sovos

The changing business model. I’ve been in the profession for nearly 30 years and I’ve had the opportunity to witness a lot of change. Technology has been at the root of much of this change and, for the most part, it has allowed us to become more efficient and knowledgeable. Whether I think about the effects of paperless, tax software, scanning capabilities, audit software or even hardware, the net effect is efficiency and knowledge. The audit, tax and accounting process have all become more streamlined and the practitioner has access to tremendous amounts of information at the click of a button.

Additionally, our profession has been talking about how changing client expectations and advancements in technology will begin to modify our service model. Over the past few years, we’ve seen this “talk” turn to “action.” Firms are driving more and more of their revenue from service areas outside of attest and tax. Services like cyber-security, industry specialization, data analytics, technology management, SOC audits, etc. Additionally, we are even seeing an uptick in accounting firms acquiring/merging with non-accounting firms in an effort to bolster their consulting services. If firms want to succeed, they need to modify their firm’s strategy, partner roles, hiring practices, staff training and even succession activities to support the changing business model.

— Charles Hylan, Shareholder, The Growth Partnership

The lack of alignment between business and innovation strategies. Everyone hears that change is coming and firms are embracing technology, but they are not aligning their strategy around it with their overall business model and it is creating disjointed organizations that cannot fully capitalize on the benefits of emerging trends. It also creates confusion for their clients and prospects. I believe that we have to step back and look at the bigger picture and ask what do these new technologies do to our overall business model and clientele — not think so linear about implementation of a new tool.

— Kacee Johnson, Strategic Advisor, CPA.com
Choosing a new, long-term service offering that will be profitable. If tax and audit compliance revenues decline, and automation offsets Client Accounting Services revenues, picking a new advisory service that can be leveraged will be critical.
— Randy Johnston CEO and founder / EVP, Network Management Group, Inc. / K2 Enterprises

Within a business, it may seem obvious that financial transactions and revenue are closely connected. Yet today’s financial systems seem to be a black box and inward-looking. The finance team and their analysts have to gather different data points in an effort to identify trends and anomalies, but getting very little in return. Many times, they are left with the small pieces that make the big picture.
— Anant Kale, Co-Founder and CEO, AppZen

Willingness to adapt to change (talent, technology, client experience): the ability to advance with the ways technology will transform the profession, while being able to effectively attract/develop/retain the right people to deliver meaningful service to clients. As a leader for 15 years at Deloitte, and now a partner at GHJ, I’ve witnessed that regardless of firm size, the profession depends on our ability to scale, while not losing the human experience.
— Mari-Anne Kehler, Chief Marketing & Strategy Officer, Green Hasson Janks

I believe the integration of business information automation technology is happening faster than firm leadership expects, which will force an acceleration of firm transformation to advisory/consultative skills (or into retirement). If the accounting profession does not respond to the evolving needs of its clientele, there will be an opportunity for other professionals/technicians to disintermediate our services or to put firms in a defensive/reactive mode.
— Roman Kepczyk, Director of Firm Technology Strategy, Right Networks

My consulting practice has evolved to where I am working mostly with smaller firms. There are thousands out there and they receive little help from most CPA management consultants. Because of the large number of small firms, I am very concerned about their transition to the digital world that is common in most larger firms. Keeping up with technology is an important issue for all size firms.

The change in the workforce is another important issue. Younger people working in accounting firms don’t want to be a partner. The long-ago established partnership structure needs to change.
— Rita Keller, President and CEO, Keller Advisors

Staying abreast of new developments and ensuring that staff can comply with new regulations.
— Sidney Kess, Senior Consultant, Citrin Cooperman
Same thing as last year — the timesheet. It is the cancer of the professions, literally destroying it from the inside. This is exacerbated by the stalwart baby boomer partners who would rather run what’s left of their table rather than push adoption of new business models and technologies. They are destroying the future.

— Ed Kless, Senior Director, Partner Development and Strategy, Sage

I believe there’s the potential evaporation of compliance services over the next couple of years and how firms will go about building out other consulting and advisory services to replace the lost revenue.

On the positive side, I believe this lines up perfectly with providing services that clients want and need. I think the tricky part will be raising the required capital to fund this expansion. Never before has the term “partners being on the same page” had more significance than it does today. Partners can’t have their heads in the sand and assume that the status quo will remain within our profession. It is being disrupted, but those that invest heavily and are strategic in their planning will ultimately reap great benefits.

— Allan Koltin, CEO, Koltin Consulting Group

There are many, but transformation comes to mind. Some things have more time to transform than others. I believe at the forefront is CPA evolution. Current CPAs have to take a leadership position to make necessary changes to the CPA definition and qualifications behind it. This means moving out of our comfort zone, realizing that CPA is more than just accounting-related work, most notably how technology is affecting what we do. The National Association of State Boards of Accountancy and the Association are putting together a good plan to move in the right direction.

— Mark Koziel, EVP of Firm Services, Association of International Certified Professional Accountants

Gosh. There are quite a few. May I rank them?
1. Recruiting bright young people who want to be partners some day at an accounting firm. Then, retaining them long enough to make them partners.
2. Succession planning: building a bench of future partners.
4. Availability of affordable transformative technology for the vast majority of firms.
5. Staying on top of tax law changes. (The tax folks at firms large and small are fatigued.)

— Art Kuesel, President, Kuesel Consulting

Now more than ever, accountants have incredible opportunities to be heroes for their clients. Businesses still spend a good portion of each day manually managing processes. Accountants, with technology and services like outsourced accounting, can significantly reduce that time, while gaining greater insight into clients’ financial performances. However, that means accounting firms need to continually evolve and innovate in areas such as launching new services and building pro-technology

rbb Communications
cultures. With the advancement of technology, financial processes will continue to automate. Accountants could be removed from the flow of financial information unless they learn how to leverage automation to be more strategic.

— René Lacerte, CEO and Founder, Bill.com

Data security.

— Michael Law, Director of Tax Solutions, XY Planning Network

The struggle to show clients the value that they as professionals provide. As more “hourly billable” work gets automated to the point in which there isn’t much left to bill for, clients are going to start asking, “What am I paying you to do, if it is all being done automatically?”

— David Leary, Co-Host, Cloud Accounting Podcast

There are two issues facing the industry which I see are equally important. Across the board, at nearly every industry-related meeting I attend, there is discussion about the attraction and retention of talent, as well as the shift to more advisory and non-traditional services as machine learning continues to have an impact on the client service deliverable.

With the shift to more automated processes, the human element of the advisor role cannot get lost. Our team members, as the indispensable client advisor, are the epitome of the valued resource clients seek out to help their company’s bottom line growth. The advisor piece is the key distinction. Our advisors have to not only be astute CPAs (or CIAs or CFEs or CTPs, etc.), but they also must be technologists. They have to know how the technology works to distill the data in order to provide guidance and practical advice to their clients.

The key element of this is you have to have people to be those advisors. The competition for good talent is fierce. There are many options, not only for recent graduates, but experienced professionals as well. Therefore, firms must continue to focus on building an internal culture that will not only attract talent but retain those high performers and give them the opportunity to thrive.

— Jen Lemanski, Senior Manager of Practice Growth, PKF Texas

It is impossible to tie it to one issue. They are all interrelated. Recruiting is the problem everyone discusses, but a very large percentage of firms are turning a blind eye to their succession. Partners are aging, money was not set aside for buy-outs, written succession plans do not exist, and the potential incoming succession team has no idea how to bring in business. The aging partner team is resisting embracing advisory services, which sends another message to potential successors and recruits that their firms are not a firm of the future. This situation impacts a firm’s ability to recruit. In today’s staffing
shortage, firms cannot continue to think that, if they just do audits and tax returns, any talent worth having will want to come to their firm.
— Bob Lewis, President, The Visionary Group

Communication. In a time of exciting and accelerating change, the CPA profession needs to ramp up its communication and outreach so that market stakeholders have a clear understanding of, first, the scope of the profession’s current responsibilities and, second, how that scope can and needs to expand to help build the confidence of investors, companies, and others.
— Julie Bell Lindsay, Executive Director, Center for Audit Quality

The volume and pace of change with the two biggest being emerging technologies and the face of NextGen talent. Scaling both is imperative and shifting how, when, and where we work will enhance efficiencies, client experience and work/life integration.
— Tamera Loerzel, Partner, ConvergenceCoaching, LLC

The accounting profession is aging out very fast as many partners are retiring and there are not enough professionals to take over leadership. At the same time, the fast changes happening in automation and technology have challenged firms to decide whether they want to make drastic changes before partners retire, or wait and possibly face market irrelevance.
— Michael Ly, CEO, Reconciled

Reinventing the profession to be business advisors in addition to being accountants.
— Taylor Macdonald, Senior VP, Channel, Sage Intacct

Relevancy requires reinvention. While the core values of the profession — integrity, competency and objectivity — are more necessary than ever before, the competencies required to bring those values to the financial world and advance business success are rapidly evolving. Accountants today need to have extraordinary data analytical and communications skills, and the agility to adapt to a market where computers and AI are rapidly taking over even advanced financial functions
— Janice Maiman, EVP – PR, Communications and Content, Association of International Certified Professional Accountants

These days a lot of my energy is spent waking people up to the idea that over the next few years, technology will change the face of tax compliance. It’s happening in Latin America, it’s starting to happen in Europe, and the U.S. can’t be too far behind.

According to some estimates, up to one-third of the revenue that should be collected through value-added tax is lost to fraud, evasion or error, resulting in massive tax gaps that are holding back local...
communities. The U.S. recently estimated that states fail to collect somewhere between $8 billion and $32 billion a year in sales tax. In Brazil, the country put its VAT collection gap at $50 billion. And Italy reported the highest tax gap within the European Union at €35 billion.

Across the globe, governments are turning to technology-driven tax enforcement measures, including mandatory e-invoicing, to boost tax payments. However, the transition has not been easy. Multinational companies are struggling to remain compliant amid this shifting global tax regulatory landscape, and the move to real-time transparency and compliance is forcing businesses to modernize their financial systems. Traditional, manual paper processes must now be digitized down to the invoice level for greater government visibility into transactions. This shift will change what’s expected of accounting departments, and those in the profession need to be able to understand its implications.

U.S. state and local tax compliance and enforcement will need to change. Companies and revenue authorities must recognize that existing processes will prove ineffective in a world of expanding obligations and increasingly complex requirements. Not everyone knows it yet, but the world of tax is about to become very different.

— Chuck Maniace, Vice President of Regulatory Analysis & Design, Sovos

Traditionalism. The accounting industry remains foundational in tradition and needs to be more open-minded to modern systems, thinking and leadership. Every other identifiable issue will remain “problematic” and can be better resolved if leaders resolve to be adaptable rather than foundationally focused on traditional thinking.

Technology has risen to the level that hourly billing, and more importantly hourly time management functions, can now be virtually eliminated for most accounting functions. Advisory and consulting systems can even be value billed and delivered real-time using technology and not the one-to-one professional-to-client relationship. Staffing and employment concerns can be eased by simply opening up to more flexibility and use of technology, supported by modern thinking.

The profession’s management and leadership hierarchy practices are no longer relevant. Leadership now is about identifying opportunity, supporting teams, leveraging technology and celebrating their company’s success. Ultimately incorporating culture into firms defined as beliefs and behaviors that determine how a company’s employees and management interact and handle outside business transactions.

— R. Sean Manning, CEO, Founder, Payroll Vault

• Continuing to recruit the best and brightest students to the profession and providing these staff with opportunities and career paths to retain them.
• Determining how to best use technology to support professionals while not relying upon technology to replace professional judgment

— Harold Martin, Partner-in-Charge, Valuation and Forensic Services, Keiter

I believe the most important issue facing the accounting profession is in harnessing the power of new technologies to deliver better outcomes, fully leveraging the efficiencies and growth that these solutions can unleash in the firms. Technology is enabling advanced capabilities and possibilities, and firms have a real and increasingly exciting opportunity to grow their top line and improve their bottom line if they’re willing to embrace these new solutions. Doing this takes sometimes takes courage and conviction to change, and the firms who adapt and integrate new technologies are and will continue to be better positioned for growth, and to attract and retain top-tier talent, and will ultimately come out on top.
— Jason Marx, CEO, Tax & Accounting North America, Wolters Kluwer

Currently, we are facing an unprecedented rate of change in the accounting industry. We are on the verge of a revolution with a traditional-minded, risk-averse population holding onto a shred of the past. We have an aging population and not enough new talent to absorb the work. We have technology that is not automating enough or fast enough to keep up with the retirement of the old guard. In order for our industry to continue to thrive, we need to get everyone into the present day with their accounting practices and ready to build the future.
— Liz Mason, Founder and CEO, High Rock Accounting

I feel the most important issue currently facing the profession is recruiting and retaining talent. The profession has changed over the last several years. There’s stronger regulatory oversight, emphasis on work-life balance, and technology advancements (to name a few), that are impacting how the next generation works and conducts business. From the firm’s perspective, we are constantly strategizing on how to balance busy season hours, talent shortages and staying competitive in offer packages to the talent we are recruiting. Furthermore, we place a strong emphasis on retaining the talent and developing programs that keep our employees engaged with the firm. All while ensuring that our mission of serving our clients and the community with passion, exceptional knowledge and superior service never waivers.
— William Mayer, Partner, RitzHolman CPAs

Shortage of qualified tax preparers (and other employees) due to low unemployment and absence of mandatory education standards, except for California and Oregon.
— Chuck McCabe, CEO, The Income Tax School & Peoples Income Tax

The most important issue facing the profession is the historic, unprecedented pace and scale of disruption and change that will directly impact client expectations, the types of services firms deliver,
and the manner in which they deliver those services. Accountants will continue to be on the front lines for parsing and navigating the fallout of continued tax legislation and executive action at the state and federal levels, and determining where best to utilize technology advancements, starting today with cloud computing, then becoming familiar with AI, machine learning, blockchain and beyond. Just as clients become much more familiar with technology and begin to expect a technology solution for just about any hurdle, accountants must rise to the occasion and keep pace with these trends.

— Scott McFarlane, Co-founder & CEO, Avalara

I believe that the transformation of the industry will be exponential. Simply put, it will soon move much more quickly than many realize. The middle of the profession will be squeezed between the largest firms whose investment in technology will bring efficiency, and the ability of even very small firms to “punch above their weight” in profitable niches. And, the entire industry will quickly need to establish profitable advisory services rather than continue to rely on soon-to-be commoditized compliance work. The mid-market must choose a lane.


We have been seeing automation, AI, and ML coming for years. Automation, artificial intelligence, and machine learning are displacing a lot of jobs in a variety of fields and we see this taking place in the accounting profession. However, I think these “issues” can also be seen as opportunities for personal and professional growth. How can we leverage automation to give us more time back, to have deeper relationships with our clients, and to help clients understand the numbers and the steps that highly impact their business? Advisory is no longer a service accountants should consider, it’s a service they should offer, and they can advise in so many ways, even by becoming AI, ML, or automation specialists. I love to learn, and through learning, every change becomes an opportunity to be creative and revitalize a business into something an accountant will continue to be excited about.

— Misty Megia, Global Head of ProAdvisor Program and Education, Intuit

The ability to keep pace with change and take advantage of the opportunities that come from disruption.

— Barry Melancon, President and CEO, American Institute of CPAs; CEO, Association of International Certified Professional Accountants.

The most important issue is staff recruitment, training and retention. This has been the most important issue since I started practicing and in today’s world of buzz word management such as millennials, Gen Z, diversity, the cloud, AI, and lean processes, I believe the profession has lost its way or has not moved forward in this regard. We are a people business — staff being the primary asset and I feel this is misunderstood by most of those managing firms. Many firms have fancy recruitment brochures and promotional material with articles propagating their staff and family-friendly culture with a proper work-life balance, but they do not deliver on this. This is borne out by the numbers that leave the profession,
particularly because of the Big Four that hire 70 percent of the accounting graduates and where 90 percent of them are gone within three years.
— Ed Mendlowitz, Partner, WithumSmith+Brown

This is a difficult question. We have many issues facing our profession, including staffing for smaller firms, convincing students to actually sit for either the CPA or EA Exams and understanding its value, and information security protecting client data. However, I do believe knowing what we don’t know may be the most important issue in accounting today. Whether it be accountants preparing financials on a non-GAAP basis for management, or accountants preparing tax returns for partnerships that they believe to be simple, or providing consulting for an acquisition for our clients, accountants tend to practice beyond their knowledge base, providing both a disservice for their clients and putting themselves at risk for a potential malpractice issue. We see this every time we obtain a new client and ask our clients what they were told by their previous accountant. Too many accountants are generalists and are unaware of what areas they truly do not understand. Also, when teaching around the country, it is quite scary that the majority of practicing accountants who prepare partnership returns do not understand partnership tax.
— Mark Mirsky, Managing Director, ROI Business Services

There are two. The first is one that I see the community embracing: leveraging artificial intelligence to automate work, enabling them to scale. The question is how will each professional decide to use the time they gain? Will you add new clients, offer new services, or change the profile of clients you serve? This is a personal choice, and my observation is the most successful are more choosy about the clients they serve, that they serve twice as many clients per staff member as their counterparts in other practices and they charge for the value they offer, including the advice they give.

The second challenge I see is that clients’ expectations have changed. We live in an era where you can work with a fitness expert without going to the gym. You can work with a therapist without leaving your living room. And you can visit a doctor right from your phone. How will this community adapt to the changing expectations that their clients have for highly skilled professional services?
— Ariege Misherghi, Leader, Accountant Segment at Intuit, Intuit

The need to develop a business advisory mindset and approach. Rapid technological advancements and intensifying competition are forcing professionals to take a more holistic and collaborative approach in order to stay relevant.
— D. Scott Moore, Shareholder and EVP, The Rainmaker Companies

I think the biggest issue is simply adapting to the rapid change the industry is facing. Professionals need different skillsets than what they learned in college in order to become the data analysts and specialists in their industries and niches. This takes time and really does require professionals to learn differently and to commit to lifelong learning. Traditional CPE doesn’t address these needs and so professionals
need to be motivated and committed to doing things differently.
— Adelaide Ness, EVP, The Rainmaker Companies

The most important issue facing the profession is the retirement of the baby boomers, finding good people and succession planning. This is really one issue all focused on human capital. This will continue to be a significant problem for at least the next decade.
— Jay Nisberg, President, Jay Nisberg & Associates

The impact of new technology, including AI. Our ability to nimbly adapt our people and processes to the ever-changing landscape.
— Carol Spindler O’Hara, Consumer Products Industry Leader; Partner in Charge, North Bay, BPM LLP

As with many jobs in America (and around the world), automation.

— Blake Oliver, Co-Host, Cloud Accounting Podcast

The disconnect between the partners’ skill sets and the next generations’ skill sets. Somewhere they need to meet in the middle. All technology and no experience is not any better than all experience and no technology. How do we bridge the gap to remain a viable profession?
— Jody Padar, CEO and Principal, New Vision CPA Group

The most important issues currently facing the accounting profession is a supply/demand challenge with there not being enough accounting professionals available to support the growing demands of businesses.

There are more businesses today than ever before and more new businesses are being formed faster than anytime prior. Also, each business today produces on average 40 times more data than it did a decade ago and thus more financial and accounting data required for processing. Meanwhile the number of accountants entering the industry has been predominately flat the last five years and in 2018 there was the lowest number of CPA candidates since 2006 (down approximately 30 percent since 2016). This has translated to difficulties in finding, hiring, and retaining accountants and has also slowed growth of accounting firms, with a majority of accounting firms having to turn away business every year.

This problem is only amplified by a large percentage of the accounting population entering retirement and 70 percent of all accountants who leave an accounting job leaving the industry altogether. So software and tech will NOT automate away the industry or accountants, but rather is a requirement for
the industry to meet the needs of the businesses it supports.
— Enrico Palmerino, CEO, Botkeeper

I believe technology development is most important. Transparency and security is critical as new developments are implemented around accounting and financial data, specifically the normalization of electronic currencies that are internationally being developed and utilized.

I believe accounting firms will greatly expand Client Accounting Services, really being a third core operation within each Firm, similar to how tax and assurance departments are today. I believe the accounting education at the university level will need to expand as critical thinking and lean process development are essential to fractional CFO services and virtual accounting departments.
— Erik Parrish, Fractional CFO Services Practice Leader, Kernutt Stokes LLP

Accountants of the future need to leverage technology so they can spend more time providing higher-value advisory services to their clients.
— Nicholas Pasquarosa, Founder and CEO, Bookkeeper360

The evolution of technology and the speed of change will impact the compliance practices, which will require less hours to perform the same task (e.g., audits will take less time) coupled with companies’ desire and the profession’s needs to be more advisory in nature. It is an important issue and a wonderful opportunity.
In addition, we have a significant issue in terms of talent. We will need to train and hire folks that have more advisory skills to allow the profession to pivot between compliance and advisory.
— Anant Patel, Partner and Head of Advisory Services, Green Hasson Janks

Over the last couple of decades, technological advances provided profit and growth optimization opportunities to accounting firms. Technological development was relentlessly computerizing the accounting “processes” from manual to digital. Till now, clients paid accountants for specialized knowledge, processes, and for their time.

Now, the matured technologies and emerging technologies are reaching the tipping points where technologies are replacing the need for accountants to make knowledge and experience based process “decisions.” It is because a lot of such knowledge is now ingrained in the software codes. Accountants’ clients are aware of these developments that minimize the time taken to process accounting work, and that too with a lot of accounting knowledge embedded within the software. Hence, client expectations are going to be very different and poised to threaten the core, hitherto successful, business models of the accounting firms. The success factors that worked for accounting firms till now will not work in the future. In future, what exactly will the clients pay accountants for? The DNA of the profession’s most-
used business models are under stealthy but massive transmutation. The only choice is to adapt, adapt fast — and ride it, not deny the facts and fight them to protect the current state.

Accounting has been one of the most profitable industries /professions. But technological, regulatory and demographic landscapes have been transforming steadily to push the client expectations towards a tipping point. If firms do not start making changes to their business models, this tipping point might feel like it has arrived overnight. And it can then feel nearly catastrophic for accounting firms to then adapt their business models.

Adapting the business models of accounting firms — actually of the accounting profession itself — to the changing expectations of the clients and in the era of highly automated work processes — is the most important issue facing the profession.

— Hitendra Patil, Director of Practice Development, AccountantsWorld

Assuring that we have a diverse and knowledgeable pipeline of students truly interested in accounting, entering the profession and working their way toward earning their CPA.

— Carl Peterson, Vice President of Small Firm Interests — Firm Services, AICPA

Trying to keep up with the change from federal tax reform, state tax reform in response to the federal changes, and state tax changes resulting from Wayfair. All these events took place in one 18-month period.

— Scott Peterson, Vice President of U.S. Tax Policy and Government Relations, Avalara Inc.

I think for far too many firms, maybe this number is in the thousands of firms, there is no successor to take over the business.

— Jeff Phillips, CEO, Accountingfly

The most important issue currently facing the accounting profession is preparing our profession for the future. What will it look like? How will we change the CPA Exam? What should we be teaching in schools? How will technology change our roles as accountants? We need to continue to talk more as a profession and develop strategies for our future. We need to be drivers and embracers of change, instead of letting change happen to us.

— Elizabeth Pittelkow Kittner, Head of Finance, International Legal Technology Association

Attracting the right people to the profession is our key to a successful future. We are competing for the best and brightest students for the career of choice with STEM and related fields, starting as early as
middle school. The solution to this issue is two-fold; First, we must make sure that our message is clear and consistent: Accounting is a dynamic, varied career that leverages technology in exciting and novel ways; second, accounting must be seen as a welcoming profession that is inclusive of women and people of color. The lack of diversity in the accounting profession is a problem that must be addressed. Data from the American Institute of CPAs show that minorities represent only one in six professionals at accounting firms nationwide, a statistic the MSCPA is working to change. We must recruit and support the diverse members of our workforce. Staffing the accounting profession with diverse talent will allow firms to compete in the changing business-owner demographic and remain profitable for years to come.

— Amy Pitter, President and CEO, Massachusetts Society of CPAs

Technological innovation is the most important issue, and it affects so many aspects of accounting and financial reporting — not just the “how” of what accountants do, but also the “what.” With just a few clicks on the internet, an overwhelming amount of information is available to all market participants. Not just the 10-Ks, 10-Qs, and annual reports, but much broader financial and non-financial data are easily retrievable. How can the profession keep up with the growing demand for information in real-time that goes beyond the traditional financial statements? What is the role of the profession in educating investors to help them understand, for example, whether the information is consistent and comparable? Whether it has been audited? These are big questions that go well beyond the financial reporting system as we know it today.

— Terri Polley, Immediate Past President and CEO, Financial Accounting Foundation

There is not just one issue; importantly, there are a few key issues facing the profession. One is the increasingly important role of technology in accounting and finance. Accountants coming out of university today need to be minted with technology skills needed in the market today, such as knowledge of RPA, blockchain, XBRL, artificial intelligence and machine learning, to name a few. Those already working in the profession need to upskill and learn these new technologies so they can keep ahead of the changes coming.

The next is the potential risk of deregulation of the profession. There have been efforts to allow non-certified professionals to compete in the same space as those who are certified in those domains — this is something I am working with the entire accountancy profession to block. Other key issues include the evolution of the CPA exam, the lack of diversity and inclusion in the profession, the influx of proposed legislation and regulations such as the tax on professional services, and the shifting demographics impacting the pathway into the profession.

— Anthony Pugliese, CEO, California Society of CPAs

Technology is what will likely be the catalyst for change in the future. The “bots” are going to replace a lot of what is now done by staff. However, what isn’t talked about as much is the impact a modified
regulatory environment will have. A huge portion of the compliance services CPA firms provide is due to regulation (tax preparation and audits). There is plenty of evidence the political environment may lead to a reduction in regulation that is driving a lot of services offered by the profession now.”
— Terry Putney, CEO, Transition Advisors

The accounting world continues to be dominated by technology and the opportunities presented by AI and machine learning. I personally think it’s an exciting time for accountants because many basic tasks will be automated and they can double down on things that matter like working more closely with clients or growing their firm.

While our industry is seeing advancements, accountants and bookkeepers are not at risk. Instead, they’re on the edge of a new golden age of accounting. We’ve conducted research on this and have found that accountants are the most trusted source of advice for small businesses. They play such a critical role in providing business owners with human guidance and customized solutions that help business owners grow and meet their own unique goals. This is what excites me about the future of the industry, and with a human focus, tech can enable accountants and bookkeepers to work together with small businesses in new and exciting ways.
— Ben Richmond, U.S. country manager, Xero

The resistance to moving into a proactive model. When firms do not make the transition away from a reactive model and compliance-based services, they risk ultimately being commoditized.
— Darren Root, CEO, Rootworks

• Understanding what the term advisory means for their firm and their clients;
• Effective pricing;
• Client experience; and,
• Recognizing that success does not always mean “more sales.” Success is defined by the business owner.

— Richard Roppa-Roberts, The ProAdvisor Advisor, Quasar Cowboy

There are multiple issues facing accounting firms today. The move to advisory is certainly one of those challenges. I believe AI and changes related to AI are also huge. Together, the move to advisory and AI will transform the accounting profession. As a result of these fundamental changes, more competition continues to enter the market — whether it be wealth management firms, banks or other entrepreneurial start-ups. The entry of these types of businesses into the industry is a big deal for accounting firms as firms try to protect their affluent clients.
— Louie Rosalez, President, HK Financial Services
I’ll name two and they are highly interrelated:

- **Succession planning.** From two perspectives: First, baby boomers are retiring in droves. Eighty percent of their firms have failed at succession planning because there is a long-standing shortage of quality staff, and partners are so busy attending to clients today that they don’t focus enough on developing their people for tomorrow. CPA firms have never been good at succession planning and it only seems to be getting worse. Second, given the challenges stated above, compounded by the tremendous impact of the eventual seismic technology changes, succession planning difficulties will get even more challenging over the next 10 years or so. Many firms will need to make epic changes to fundamental ways they operate their firms. They will need to develop consulting services to replace the declining revenue from compliance services. They will also be challenged to hire staff with non-accounting backgrounds. This is a perfect storm for CPA firm chaos.

- **Labor shortage.** Virtually all firms under the Top 100 struggle mightily with an inadequate supply of good staff. This is a decades-long problem for CPAs and no letup is in sight.

— Marc Rosenberg, President, The Rosenberg Associates

Addressing the lack of diversity and inclusion. We spend a lot of time today talking about how technology is disrupting the profession. Our mantra includes discussing changing business models and types of work to be done. This is important stuff; however, to truly be successful and remain relevant, we need to change who has a seat at the table. Candidly, we probably need to drop off the table at a local thrift shop and convene a virtual, dynamic team that is not based on seniority and history, but is driven by competencies relevant to the challenges and opportunities at hand. These agile leadership teams should reflect the global businesses and customer base we serve. If greater than 50 percent of CPAs today are women, we should see that in the leadership of firms and stop settling for around 20 percent.

We need to take a page out of the audit team handbook. Audit teams has been subtly changing to become far more diverse and inclusive of a wider variety of skillsets and talents. Let’s now apply other filters to the profession as a whole, like gender, age, ethnicity, race, geography ...

It is through change and diversity of thought we can inspire the generations who will lead the profession into the future, unencumbered by conscious and unconscious paradigms that insist you pay your dues or that you must reflect a certain leadership profile.

— Clar Rosso, EVP, Engagement and Learning Innovation, Association of International Certified Professional Accountants

Talent recruitment and retention is the issue our customers bring up most often when we ask them about their challenges. Firm leaders must embrace change and create opportunities for talent to grow,
develop and contribute to the success of their firm with new ideas. Nurturing talent is the best way to build loyalty and a strong leadership pipeline that will strengthen the entire industry.

— Charlotte Rushton, President, Tax & Accounting Professionals, Thomson Reuters

Leveraging the benefits of smart technologies like machine learning and artificial intelligence to enhance our traditional ways of working, adapting to rapid change, and managing complex global regulations is one of the most important issues facing the accounting profession. We’ve got to move away from business as usual and allow the impact of new technology to drive greater value and additional services. If we don’t, we run the risk of becoming irrelevant.

— G. Brint Ryan, Chairman and CEO, Ryan, LLC

Our whole nation — not just the accounting profession — is experiencing a digital skills gap that is impacting our workforce. Leaders need to understand how this will affect our people and think about what we’re doing to help them be prepared for the future. At the pace at which technology is evolving, it is more critical than ever for our businesses and employees to evolve alongside it.

As it comes to accounting, our clients are more savvy than ever and are expecting high-touch experiences, real-time engagement, and of course, efficient analysis. We must leverage technology to deliver on these, and the benefits of that technology are only felt when our people are empowered to use the tools we give them.

Moreover, this is a profession with fantastic development opportunities, and the leaders of the accounting profession must work with institutions of education to prepare the accountants of tomorrow for the kind of work we need done — and we must also continue to encourage people to join us in this incredible field.

— Tim Ryan, U.S. Chair and Senior Partner, PwC US

Finding the balance of technology, automation, and personal service. In this always-on era of technology, finding the right balance of automation, work-life balance, and developing relationships is a major challenge. Keeping up with the fast-paced evolution of technology and wide range of options is literally keeping folks up at night.

— Heather Satterley, Owner/Founder, Satterley Training & Consulting and QB ‘Appy Hour Enterprises

Adapting to the changes that technology will bring. Technology in the accounting industry is advancing as quickly now as at any time in its history. Software has become so sophisticated that it is approaching the level of artificial intelligence. This builds new efficiencies, and opens new possibilities, but also requires a certain degree of rigor, training and versatility. Even with respect to the role I play in accounting firm M&A transactions, there are technological considerations regarding both buyer and seller that must be factored into the deal. Savvy practitioners are leveraging technology to deliver value

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for clients.
— Russell Shapiro, Partner, Executive Committee Member, Transactional Department Chair, Levenfeld Pearlstein

The most important issue currently facing the profession is how we ensure our relevancy in a world where our profession will see revolutionary change over the next three to seven years. The ongoing march of RPA and AI will result in a profession that may be unrecognizable by current standards. One need only to look at the auto industry that is still reeling from the impact of RPA.

There are some that say, “We’ve been through technological change before and we’ll get through it.” The other common thing people say is, “We always figure out how to adapt.” That’s easier said than done with the changes that are here and moving forward. Developments like Excel and accounting software were amazing productivity tools but they pale in comparison to RPA and AI, which will disintermediate the need for people in most of what today’s professionals do. We are faced with one of two choices: Let the future happen and react to it, or proactively create the future of our profession.

I see a world where the monthly close will be instantaneous and fully automated; the audit, likewise, will be nearly instantaneous and mostly automated; and tax returns will be part of fully integrated financial systems that are automated. Understanding data and adding value will be everything. If the profession is to maintain our relevance, we need to move beyond being compilers of information and just attesting to the validity of financial results. We need to help businesses create and add value. While it may be heresy, I don’t know of a business that has become wildly successful through a successful audit or even thorough tax planning. This will require accounting professionals to better understand and interpret data and be better data analysts — but that’s not enough. The mantra of our profession is that CPAs are the “most trusted business advisers.” Trust can be equated to attesting to financial statements being fairly presented, or taxes being accurately computed, even minimizing the liability. Trust is important but can be limiting. To truly add value, we need to help businesses, be it clients or companies we work for, become more profitable. I believe we need to move from just being the “most trusted business adviser” to the “most trusted and strategic business adviser.” Accounting needs to become the profession known for helping businesses achieve growth and profitability. Redefining accounting professionals as “strategic advisers” will ensure our relevancy for years to come.

Equally important, is how we get accounting professionals to embrace change. Again, it gets back to listen, communicate, engage and, importantly, lead.
— Todd Shapiro, President and CEO, Illinois CPA Society

Our ability to adopt a future-focused mindset. By definition, our profession spends most of its time looking backward — accounting for things that have happened. When our vision is focused on the rear-view mirror, we miss what’s coming at us on the road ahead. We need to train ourselves to anticipate
future disruptions — to spot the “weak signals of disruptive change” early and identify the opportunities they offer our clients and organizations.
— Bill Sheridan, Chief Communications Officer, MACPA and Business Learning Institute

The profession needs to start being more inclusive and recognizing that there is more than just auditors and tax accountants that are part of our profession. We need more unity of direction and purpose between the various national associations and areas of expertise within the profession. The professional also needs to unify in our ability to drive better and responsible decision-making to help balance out the craziness going on in our political arena and financial markets.
— Donny Shimamoto, Managing director, IntrapriseTechKnowlogies

Embracing technology. Understanding how it will impact future revenues versus traditional services, what it will eliminate both from a fee perspective and staffing needs. What it will take away and what technology will bring to the table in terms of positive opportunities as CPA firms seek to continue to strive to be their clients’ most trusted advisors. The technology trends impacting the profession are literally growing geometrically and keeping up is critical.
— Joel Sinkin, President, Transition Advisors

I think there are two things that impact my area, overwhelm when it comes to the new accounting technology and lack of diversity on stage at accounting events. I am trying to alleviate this.
— Heather Smith, Anise Consulting

The most important issue facing the accounting profession, by far, is the tidal wave of technological disruption in the profession. We, as a profession, need to educate ourselves, develop skills, and evolve in order to become the strategic business partners our clients and colleagues are seeking.
— Sean Stein Smith, Assistant Professor, City University of New York, Lehman College

As a business owner, the most important issue we are currently facing is the lack of qualified accountants to hire. A lot of the accounting/finance recent graduates seek to work for CPA firms or as a financial analyst. Since we need to hire AP associates up to controller-level, we are always on the hunt for a better pool of talent.
— Anneke Stender, Co-Founder of TAG Bill Pay

The inability to retain women in the profession and promote them to the partner ranks. Women have represented close to 50 percent or more of the entry-level staff entering public accounting over the last two decades, and they now only represent approximately 20 percent of the partner ranks. This is by far the most underrated obstacle and void leading to succession planning issues.
— Joseph Tarasco, CEO and Senior Consultant, Accountants Advisory Group
The time for debate is over. There is no more question about what's needed, or why, to sustain the profession and propel it into the future. Today, tax and accounting professionals are making the leap into the fourth industrial revolution.

The day is upon us when professionals and their firms are racing to implement the strategies, to adopt the technologies, and to re-invent tax and accounting services and service delivery to complete the shift from mere compliance to full advisory roles with their clients.

The critical issue is who can do it faster, and with the better business models. Those who can’t, or won’t, are simply becoming competitively irrelevant. The rest will thrive in a new world they've invented for from their own imaginations.
— Rick Telberg, Founder and CEO, CPA Trendlines

The change management taking place regarding the use of data analytics, artificial intelligence and automated processes in the accounting profession is significant compared to previous years. CPAs and accounting professionals need to adapt to technological advances and automation or risk stalling their careers and not contributing to their organization’s growth.
— Ralph Thomas, CEO and Executive Director, New Jersey Society of CPAs

Hiring and retaining a talented tech-savvy workforce is a major issue that all accounting firms are facing currently. Improvements in technology will help the profession to provide higher-quality services to the public. However, there is also a lack of technological products currently in the market that can serve the needs of the various industries.
— Sibi Thomas, Partner, MarksPaneth

From a talent and competency perspective, are we going to embrace technology or brace for it, be proactive or reactive, opportunistic or risk-averse? This is a race for relevance of our storied profession in a fast-paced digital age, where the pace of technological advances could overwhelm the human capacity to absorb them unless we take action to reskill and upskill.
— Jeff Thomson, President and CEO, Institute of Management Accountants

The most important issue facing the accounting profession today is the need to get off of the treadmill of manual, rote processing and return to a place of strategic partnership with the business. Only by doing so can the accounting profession receive the respect and value that it deserves.

Leveraging technology to automate repetitive jobs is absolutely the answer, but it becomes a chicken/egg dilemma. Viewed as a cost center, accounting departments typically are not given budget and time for tools and implementations. Without leveraging technology, they are unable to
demonstrate the business value that they might add if they only had the time.

— Therese Tucker, Founder and CEO, BlackLine

The most pressing challenge today is to evolve with the exponential pace of change in our capital markets. We’re seeing advances in technology significantly impact both accountants and companies, driving entirely new business models, company structures, and talent models. Digital transformation is unlocking possibilities for more real-time insights. The news cycle is moving faster than ever, and different types of information outside the historical financial statements are moving the market. In this environment, independently assured information has never been more valuable, creating vast new opportunities for the public accounting profession to enhance our value proposition.

Finance professionals, management, investors, and regulatory bodies are all looking to accountants to do more. I’m optimistic about the profession’s commitment to evolve. What’s key is that we and our stakeholders see this as a shared challenge. It will take all of us working together — management, boards, audit committees, institutional investors, regulators, standard-setters, and academia — to adapt. The health and stability of the U.S. capital markets depends on the whole reporting ecosystem evolving in a coordinated manner. I’m confident that, working together, we will.

— Joe Ucuzoglu, CEO, Deloitte US

Rapidly advancing technology is impacting every aspect of our life today. While we see many benefits from technology advancement, it also creates challenges — and the accounting profession is not isolated from those challenges.

Technology changes will significantly impact the relevancy of the audited historical financial statements we know and use today. The accounting profession must fully harness the benefits of technology in accumulating, auditing, and disseminating financial information. At the same time, the profession must better envision the challenges coming in the form of changing demands for financial information in the future — demands that will impact the frequency, timeliness, and modes of communication. The key for the accounting profession is to help ensure that financial information in the future remains decision-useful, timely and relevant to users.

— David Vaudt, Chairman, GASB

Most accounting professionals are trying to figure out how AI is going to impact their profession. The stakes are high in today’s corporate accounting. There’s the element of complexity, and even small mistakes can be devastating. Looking into 2020 and beyond, the pressure will only mount. Accounting teams will be asked to do more with fewer resources, the legal and regulatory environment is only getting more onerous, and opportunities for errors, waste, and fraud are growing as businesses consolidate, pursue global initiatives, and grow their employee bases and business spend.

— Kunal Verma, Co-Founder and CTO, AppZen
The importance of human skills. As digital transformation takes hold, what will become more and more important will be that accountants can communicate, analyze and be critical thinkers. We need to make sure that in the CPE budgets, there is an equal amount of time being spent on growing our people, not just utilizing the entire allotment on regulatory and technical training. We need to ensure they know how to develop and build client relationships, as well as internal staff relationships, and can provide more value to their stakeholders by analyzing the numbers from an operational perspective, not just a financial one.

What computers can never replace is human connection, and to stay ahead of the curve, we need to keep improving these skills so we can utilize our expertise in new ways and create an experience that a client can’t imagine living without.

— Amy Vetter, CEO, The B3 Method Institute

That most firms and practitioners are unwilling and unable to make the major change needed due to the truly lifetime disruptive change our industry is faced with. Improvement cannot be done through 2 percent budget increases or 5-10 year change plans; change needs to be major and happening everyday as we shift from a profession of data entry to one of creative-thinking advisors. If we fail to make this change, we will suddenly find we no longer have a value to provide or clients.

— Garrett Wagner, CEO/Founder, C3 Evolution Group, C3 Advisory, C3 Financial

Accounting, just like many other industries, is being disrupted by automation. As a profession, we have the opportunity to embrace technology and reshape what it means to be an accountant or bookkeeper. Technology makes it possible to evolve an accounting practice from a narrow focus on compliance services to broader advisory services — resulting in huge growth. Artificial intelligence and machine learning will enable accountants to collaborate more closely with their small-business clients by making it easier to share data, uncover insights, and plan for the future.

— Tony Ward, President, Xero Americas, Xero

As clients’ needs become increasingly complex with the accelerating pace of change in business and finance, advisory services will be an even more important driver of the accounting business. This was the rationale behind the Marcum Group, as we built a network of companies that could service our clients’ various business needs, in addition to traditional accounting. We continue to expand on this in all aspects of our business, including re-visioning our organizational structure, and other firms will need to do the same if they expect to thrive in the future. Technology will be absolutely key in this, and firms will need the capacity to deliver technology solutions that help clients improve efficiencies and uncover opportunities for growth in their own businesses. Firms will need to be prepared to leverage technology to create additional value for clients, creating new revenue streams in the process.

— Jeffrey Weiner, Chairman and CEO, Marcum

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Fear of change. We are struggling to shift our roles from problem-solvers to facilitators; from a focus on accuracy to relevancy; and learning how to apply our knowledge in new ways.

— Geni Whitehouse, Countess of Communication, Brotemarkle, Davis & Co. LLP, *Even a Nerd Can be Heard, Solve Services*

Talent. We need to be teaching the skills required to keep up with an industry that is experiencing rapid technological innovation.

— Mike Whitmire, Co-Founder and CEO, FloQast

Complacency. I stand by what I said before: The current and future leaders in this profession are terrific; the challenge is that they make good money and changing the business model from compliance to consultative will require new everything: new training, compensation systems, hiring methods, technology, processes, niche building, service models — and the list goes on and on. Change is hard, and all the changes happening now are not making transformation easy. The reality is, everyone knows that things are changing, but most are content with where they are today, so they are waiting for more pain before they make major moves.

— Sandra Wiley, President, Boomer Consulting

Resistance to change. Firms and finance departments face wholesale change in the needs and expectations of their increasingly Next Gen clients or users. This is driving change in everything, including their business process and delivery systems design, the skills they hire, how they develop people, how they’ll manage the transfer of knowledge ahead of retirements and so much more.

Even with all the major change, we still encounter leaders who will vehemently argue against simple change ideas like dress for your day, offering a truly flexible work environment, hiring non-CPAs or empowering NextGen talent through delegation. The analogy is that CPAs are all in a pool getting ready for a water aerobics class. There’s a 19-foot great white shark in the water with us — it represents the risks of irrelevance, disintermediation or disruption if we don’t change. Smart firm leaders are talking about strategies to stop, delay or eliminate the shark or how to move to another pool. But so many others are still trying to figure out if they’re going to use a noodle for the class, and if so, what color they’ll choose. The conversations they’re having at their leadership tables are focused on the wrong things, as if the shark weren’t there and getting closer by the minute.

Many leaders aren’t facing the strategic management changes needed for a variety of reasons, but mostly resistance comes from an attachment to the way it always was, a satisfaction with the status quo, an appreciation for the great money being earned today and a hope that if they hold out long enough, they’ll retire or sell before the disruptors make impact.
I believe that resisting or slowing the imperative changes is both irresponsible and selfish. I understand how complex and overwhelming change to leadership, talent, technology and client experience may be, but firm leaders must prioritize three major business model changes right now, identify NextGen leaders to lead each and then step aside, empowering and enabling those leaders to drive the changes necessary. Otherwise, we face the threat that talent will become even more scarce as they choose other professions, technology will automate many of our traditional service tasks without valuable alternative services being offered and emergent non-accounting competitors with take market share.

— Jennifer Wilson, Co-Founder and Partner, ConvergenceCoaching

The technology disruption through automation technologies (e.g., machine learning and highly advanced data parsing). These automation technologies are already displacing much of the data-entry work historically performed by accounting professionals, and they are indirectly disrupting the associated time-based (or entry-based) billing models. To adapt to this shift within the profession, accounting professionals must leverage automation technologies to create extreme efficiencies, adopt fixed and value-based pricing models, and embrace advisory work focused on both financial and operational measurements.

This disruption is nothing new. The profession has been impacted in increasing measure over the past several years (or some would argue decades), but I project a rapid acceleration in the impact of this disruption due to:

1. Widespread adoption of technologies by small-business owners, who are incentivized by more affordable SaaS options and extreme ease of use.

2. Highly funded, scaled models that leverage a combination of marketed and proprietary technologies to offer tax and bookkeeping services under scaled and highly discounted pricing models.

— Joe Woodard, CEO, Woodard Events

The rapid change of technology continues to be the most important issue we are dealing with. There are negative implications, such as increased risks and the importance of cybersecurity. There are also significant opportunities that are being brought about through increased information, data analytics and artificial intelligence. Technology is impacting all accounting professionals — public accounting firms are changing our audit processes to incorporate more focus on data and security, and we are seeing our clients incorporate more and more data into their monthly analysis in order to stay current, identify trends, and maximize opportunities.

— Candy Wright, Chair, Private Company Council

I think the most important issue facing the accounting profession is the retirement of senior professionals and the lack of mid-level professionals to take on the leadership in the industry. There is
also a lack of experience with the younger generation when it comes to client relationships. The younger generation has come to depend on technology to the detriment of relationships in many cases. For the accounting profession to be viable, it can’t move to all technology.
— Diane Yetter, President and Founder, Hetter Consulting Services and Sales Tax Institute

The accounting profession is expanding, while ideas about a career path or expertise in accounting have remained somewhat traditional and stagnant. Education is a critical tool to help accounting professionals better understand the field and their options, and explore their role within the changing landscape. Engagement in important topics and passion for innovative ideas is what keeps any sector or profession alive and relevant with changing times. Education provides the opportunity to learn about the many new and emerging topics in accounting, and to inspire problem-solving and innovation.

I am a perfect example of this experience. When I graduated from college, I believed the only path for me was to go into public accounting, with the goal of being hired by a client. This left me feeling like my options were limited. Many in the profession don’t yet appreciate how well positioned they are as CPAs to take their career in new and non-traditional directions. Education can arm new accountants with the knowledge and information they need to create their own roadmap for success, becoming the agents of change they want to be.
— Scott Zarret, President, CPAacademy.org