

# From Shoe Box to Inbox - Keeping in Step with the Times

by Noel J. Delaney

The role of the professional accountant is constantly changing, we are key financial and business advisors ensuring that businesses and their owners are informed, compliant, and prepared. It is essential therefore that we keep ourselves and our firms up to date with the latest developments, especially advances in technology and what Artificial Intelligence ("AI") tools have to offer us, our staff and most of all our clients.

## Evolving Environment

I previously worked as a confectioner in a bakery and shortly after it closed in 1989, I joined the accountancy practice of Kenny, Whelan & Company as a trainee accountant. As you can imagine it was a total culture shock, but in order to survive I quickly adapted. Thirty-two years and innumerable deadlines later that office life has evolved and adapted with the times, I too have, and continue to adapt and evolve. Remember getting client's records in an old shoe box or similar container (occasionally these still appear!), filling out paper tax returns and delivering same in bulk to the tax office at the stroke of midnight? The principal drivers of change over those years were the introduction of the internet, ROS and the ever-increasing requirements of both tax and corporate compliance. Accountancy firms and their clients have had to adapt fast to meet these increasing demands. In the main it was, and remains so to this day, the accountants that drive and strive to keep their clients compliant.

With the onset of the internet the world has become so much smaller thus enabling businesses to trade within multiple marketplaces right from their kitchen table. This in turn has increased the demands on the accountant in practice. Years ago, we were a local firm looking after local clients doing local business. While we may still be local, our clients are now both local and international businesses doing local and international trade. As businesses move towards online platforms we also need to move, if not ahead of

them, with them. Figures from the CSO (Central Statistics Office) clearly show the upward trend by enterprises towards online platforms as set out in the table below:

**Purchase of Cloud Computing services by enterprises, 2014 to 2020**

	2014	2020	Growth
<b>Purchase of any cloud computing services</b>	28%	51%	182%
<b>of which Storage of files</b>	20%	44%	220%
<b>Email</b>	16%	43%	269%
<b>Office Software</b>	10%	28%	280%
<b>Hosting the enterprise's database(s)</b>	10%	30%	300%
<b>Finance or accounting software applications</b>	7%	24%	343%
<b>Customer Relationship Management (CRM) software</b>	6%	18%	300%
<b>Computing power to run the enterprise's own software</b>	5%	15%	300%

Please note that the enterprises may avail of more than one type of Cloud Computing Services. Source: CSO



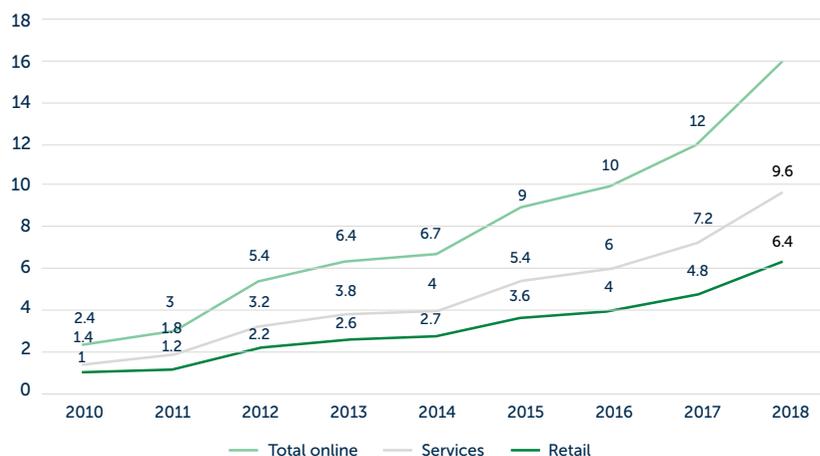
This trend is only going in one direction as consumers themselves increasingly move towards online shopping. This was the case even before the current pandemic and with the promise of ever faster broadband, 5G and more people becoming connected, you can only imagine how the graph below will look in five years' time.

Their role has been to get an understanding of our long-term business goals and to align us with the appropriate ICT solutions to help us meet those goals. This proved to be an excellent move and they continue to be our I.T. support team.

The main criteria for our decision were their focus on the Irish market, local compliance requirements and the overall integration of the different platforms, working off a single SQL database server.

Another deciding factor was that we felt it would be easier dealing with a local software firm that would be willing to take onboard our feedback and suggestions for improvements. As with many choices, this was no panacea, and you only truly get to know the pros and cons of your decisions with experience.

**Online Spending by Irish Consumers (€ Billions)**



Our practice embraced the use of computers and accounting software at an incredibly early stage, (remember those floppy disks?).

However, while we might have adopted these advances in the early days, we were slow to change thereafter. The old adages "if it's not broken don't fix it" or "better the devil you know" applied. While the hardware may have kept pace with the times the same could not be said for our accounts production and billing software, these continued to be used well past their best before dates!

### Time to Step Up

So, when we took over the practice a couple of years ago our first task was to review the I.T. hardware and reconfigure the I.T. systems. This was necessary to ensure that they met current standards from an operational, functional, and security point of view. A crucial part of this process was engaging the right team to take control and drive it forward. Having enquired with fellow professionals we were pointed in the direction of Gavin Dixon, Paul Byrne and their team in Business I.T. Solutions (BITS).

While BITS were able to assist with the technical side of our practice needs, we alone had to establish what software and other tools from an accounts production, bookkeeping and practice management point of view would best suit our firm and our clients. A challenging task because it is not a case of one size fits all. With that in mind we set about reviewing and researching the various options on the market. In the past when it came to accounting software, we were a jack of all trades. You name it we have dealt with it. However, this time we wanted to encourage our clients to converge, where possible, to a single platform that could meet ours and most of all our clients' requirements.

The first part of this decision was deciding on what new accounts production software we should use. This in turn guided us towards the bookkeeping and practice management software choices.

There were many excellent products out there but in the end, we settled on Relate Accounts Production ("RAP"), Surf Accounts and soon to be added to the suite, is Drive CRM and Practice Management.

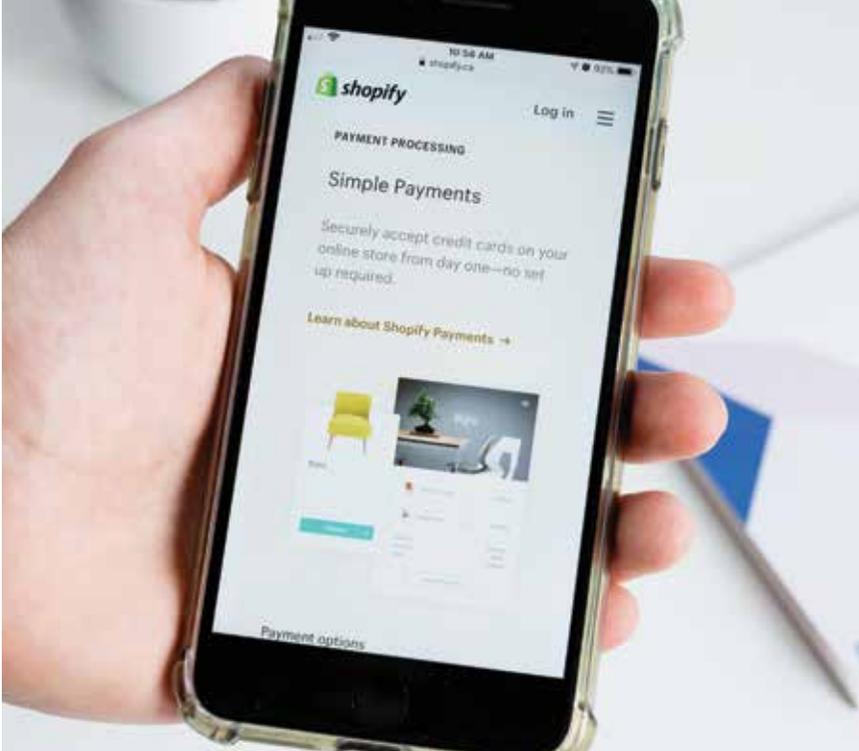
### Step by Step

We have implemented these steps on a gradual basis as in most cases when changes are introduced there is a steep learning curve for all involved including management, staff, and clients alike.

First was the introduction of RAP as our main accounts production software. This proved to be a great tool in streamlining the output of the various year-end reports and financial statements for our wide range of clients. The ability to import trial balances from the various accounting software speeded up data input and minimised human error in transferring the information. Confidence in knowing that the reports were up to date with local statutory requirements. While this software will produce the final reports, it is essential that the reporting accountant uses all available resources, knowledge, and oversight to ensure that full reporting requirements are met.

With the accounts production taken care of the next step was moving our bookkeeping clients over to Surf Accounts. The bookkeeping software was the steepest learning curve and the one that needs greater ongoing feedback to the developers. Unlike programmers, as accountants we best understand the intricacy of recording daily transactions and are therefore best placed to assist them in enhancing their product and ultimately, our workflow.

Therefore, I would encourage all accountants to be proactive in this process and to provide feedback no matter how small it may seem.



## Ongoing Advantages

Like all software there are regular updates and changes, none better than the integration of tools such as Plaid, the open banking platform. This pulls in the clients' bank transactions directly to the software, no more manual bank reconciliations! Another is Receiptbank, whereby supplier invoices received by various means and using optimal character recognition technology extracts the relevant information. This is then imported directly to the bookkeeping platform along with a digital copy of the document. While these are all great tools that can improve efficiencies there is again a learning curve involved that needs both client and staff buy in:

1. clients accept and use the tools accordingly by granting permission to Plaid, taking the time to upload, scan and email supplier invoices to ReceiptBank, and
2. staff pay attention to detail when processing the documents and transactions through the system.

These platforms do not know the limitations of VAT deductibility and will extract the relevant VAT amount whether deductible or not! This is where staff knowledge and management oversight come into play.

By using the built in AI tools such as "Rules" the software will remember the settings you have previously applied to the individual supplier and transaction and overtime efficiencies will grow. Staff knowledge and training is vital in obtaining these efficiencies. Helping them to clearly understand the different nature of transactions, tax deductibility, and how these may vary on a client-by-client basis is essential. The time spent on training will be rewarded.

Now that we have a better understanding of the accounts production, bookkeeping software, and the associated tools our next step will be to implement our practice management software. This was to have happened sooner but like everything else these days, other priorities took precedence. Some people might say that this should have been the first step. However, I genuinely believe that getting the practice management tool in place will be more time consuming and intricate than what has gone before. We can now give this our undivided attention knowing that the other tools are in place and running effectively.

## Rewards

As we all know well by now, nothing stands still and the one thing that is constant is change. This has never been more evident since the onset of the current pandemic. By having adapted over the years and by engaging:

- A reliable I.T. support firm.
- The use of the latest AI technologies.
- Online Software.
- Virtual Private Network ("VPN") tools.
- Microsoft 365 online and associated apps such as Teams.
- Voice over Internet Protocol ("VoIP") Telephone System.

We were best placed to cope with everything that the pandemic entailed.

I anticipate further changes soon with the next step involving moving away from physical servers and PCs and transferring over to platforms such as Microsoft Azure, moving our VoIP services to Teams further consolidating our technology stack in one collaborative platform from Microsoft.

The overall driving force of these changes was change itself, forever changing and growing client base, their needs, and the need for flexibility. Maintaining efficiencies is crucial as all software comes with increased costs and therefore must be managed to be cost effective. In addition to the increased flexibility and efficiencies you will be enhancing your clients' experiences and the training of your staff. This in turn should help in the retention of both.

I would encourage all firms to take the necessary steps to keep pace with the times and to finally give those shoe boxes the boot.



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