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Global trends affecting Practitioners

Three of the main global trends affecting practitioners include technological innovations, big data and staff retention issues. Discover how to embrace the digital age, maximise the potential of big data and hold on to key staff members with our guide to these trends.

Accountants in a digital age

Accountants who want to succeed in a competitive market need to develop a clear digital strategy and embrace the latest technology. Used effectively, technology can ease your workload, improve customer experience, increase your public profile and win new clients.

Some industries have been majorly disrupted by technology in recent years, while accountancy has managed to escape being hit by a tsunami of digitisation. However, the next wave of technology *is* going to impact accountants. If you want to swim rather than sink, start preparing to navigate the inevitable challenges that will ensue. As Charles Darwin famously stated: "It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change."

Some accounting firms are struggling to move to fully-digital operations, especially using cloud software. Many companies have a range of software that was acquired over the years and as a result there are common problems with the accounting and financial systems in use today. The data within these financial systems is often defined differently in each system; this can lead to poor performance such as delays before a transfer of data begins. This is problematic for accountants and business-owners today because there are large volumes of data available for review.

The solution lies in accounting software — cloud-based and mobile services which can be used to improve operations and enhance your client's overall satisfaction with your services. Using the cloud also helps to streamline your internal business

operations and improve your profitability. In addition, you can offer your clients more convenience and transparency. In order to remain relevant, start researching digital products that will suit the needs of your clients. You will add value to your services if you educate yourself about software that clients can use themselves. Bear in mind that it takes time to build trust in technology and that trust is based on familiarity and performance.

According to a *Trust in Technology* report by HSBC, "the majority (80%) of respondents believe technology makes their life easier and that 76% feel comfortable using new tech. It will pay dividends if you inform your clients about the different options available, especially in relation to the move to digital tax. According to Kirton's adaption-innovative theory (1976), adaptors desire to do things better; innovators desire to do things differently. By devising and implementing an excellent digital strategy, you can be both an adaptor and an innovator.

Big data – The role of the accountant

Big data is a hot topic because key executives and business-owners are increasingly using it to make all kinds of decisions relating to their business. If you think that your client and practice is too small to worry about big data, you need to think again. Data scientists are currently leveraging big data and analytics, which could eventually reduce the advisory capacity of accountants. Accountants or financial specialists who want to maintain a competitive advantage over other professionals need to get involved in the rise of big data.

All businesses, large or small, create a large amount of non-financial data such as website and social media statistics or text in surveys. Traditionally, businesses are represented in transactions (sales and operational indicators) and financial statements. Big data includes non-traditional information such as ratings, reviews, one-to-one conversions, and geolocation of customer activities. It can help answer questions such as, which region sold the most product?

Predictive analytics enables firms to use historical data to forecast the future. For example, if a business spends more money on marketing, how will it likely affect sales? Business-owners can use such information to make important decisions before waiting for financial statements from their accountants.

There is a huge opportunity in accountancy for using big data for real-time impacts and financial predictions. Use it to position yourself as a strategic business partner instead of the more traditional accounting role.

Staff retention – Issues facing practitioners

Staff retention is an issue in accounting because accountants often move from public practice into industry or vice-versa. Inflexible working hours; monotonous, unrewarding work; technological change; and a lack of transparency are some of the reasons cited by employees for job dissatisfaction. It takes time to recruit, hire, and train new staff members so it's important to do your utmost to reduce staff turnover.

The inability to hire experienced professionals is exacerbated when it's time for succession and no one is ready to take over. It's crucial to hold on to good staff once they have been recruited.

Some measures being taken by firms to reduce staff turnover include ending tracking of traditional work hours. Punching the clock was an innovation developed during the industrial revolution when manufacturing and factories played a much

bigger role in the economy. Strict hours don't work well in today's service driven economy because it erodes autonomy and people need to feel autonomous to do their best work.

Instead of tracking work hours, more companies are opting to focus on charge hour budgets. This is in line with the changing nature of the workplace, as many firms adopt flexitime schedules and telecommuting options. Empowering employees to take control of their own workdays is far more innovative than using the latest employee monitoring tools.

Performance

Research has shown that people want to feel successful and that their skills are being used in a way that makes a real difference to the business. Human beings tend to enjoy pursuing goals and are often happiest when they are achieving their goals. Set clear, achievable objectives.

Avoid micromanaging. No one likes to work for a controlling boss who doesn't trust them. Are you a micromanager or do you know one? Micromanagers monitor what's least important and expect regular reports on miscellany, push aside the experience and knowledge of colleagues, and discourage others from making decisions.

Other signs of micromanagement include taking great pride or pain in making corrections, preferring to be cc'd in emails, and constantly wanting to know where all your team members are and what they are working on.

Micromanagers rarely recognise their behaviour and the impact it has on the team. Micromanaging might get short term results, but over time it leads to frustration because it's demoralising and demotivating.

This is a major issue when it comes to staff retention because most people deal with micromanagers by moving on to another company where they will have more freedom.

Communication

Good communication is an essential part of a staff retention strategy. Active listening is a really important skill; if a staff member raises a concern, give him or her your full attention. Don't stare at your computer screen trying to make yourself look busy so you can avoid dealing with the situation. Instead make eye contact and make sure they feel listened to and understood. Acknowledge their concerns and avoid using language that attempts to belittle the issue.

Remember that communication is a two-way channel. A good communications process is informative and reaffirms to employees that their workplace contributions are having an impact. Provide constructive criticism and positive feedback when necessary.

Loyalty

People don't begin their employment as loyal employees, but if they are trusted, respected, and financially rewarded, loyalty will develop over time. Don't forget that your success is tied to the success of your employees.

Competitive advantage

People want to feel proud of where they work. What sets your company apart from your competitors? Take time to identify your unique competitive advantage then tell your employees and clients about it.

According to President & Chief Retention Officer at Crescendo Strategies, Cara Silletto, workers today will leave their jobs if they don't like their immediate supervisor, the leadership team or their coworkers, so encourage your entire staff to attract and retain talent.