

# To integrate or not to integrate: that is the question!

by Alan FitzGerald

**Well, not really; integration IS - in my view - the only answer...**

**In James Clear's book 'Atomic Habits', he writes that " You don't rise to the levels of your goals; you fall to the level of your systems". Anyone using technology would agree with this. Accounting technology for accounting firms and commercial organisations has evolved from disparate systems to client-server and the cloud.**

But in the past, the mantra from many providers to their clients was that an integrated suite offered the benefit of a single database rather than a selection of disparate albeit best of breed solutions - "You must use a suite to compete!".

Unfortunately, this was often a marketing exercise as rarely were all the elements of a suite even developed by the same team, with many acquired over time by that company.

These suites were also a 'closed ecosystem'. As a result, when other vendors released newer solutions with superior functionality, they could not be used as part of the suite, negating any benefits.

This stemmed from the inability/unwillingness of suite vendors to open their database to 3rd parties. Thus, a buyer bought all the products from one vendor - good for the vendor, not for the client. When you have one vendor supplying all components, none of them can be the best of breed.

As the various suites evolve, programming languages also change. With multiple languages/structures, inevitably, you will also get misunderstandings. A tongue in cheek joke about these suites was that it was a single source of truth, as long as you didn't mind updating six databases to get it! Some businesses prefer the perceived security of 'one throat to choke' if/when things go wrong and accept any potential shortcomings by taking this path.

The functionality differences between client-server and new generation cloud software will differ even from the same vendor. For example, new generation cloud software often has – on face value - less functionality in some areas than previous generations despite being 'the latest'.

Whilst this sounds like a paradox, a primary reason is that software vendors often added features to justify charging monthly maintenance fees.

As a result, users ended up with functionality that was often irrelevant to day-to-day activities - i.e. features for features sake.

Newer generation software aims to dispense with the unnecessary. I phrase this as a "back to basics" rather than "a back to complexity" approach.

The challenge/opportunity when developing a strategic IT plan is where in the past, a single application previously managed a series of tasks may now require several tools to achieve the same end.

However, the total cost of ownership for more applications is often collectively lower than the original software to be replaced – the latest for less than the original!

There is no doubt that best of breed cloud solutions are simply that - the best in class for the function they perform.

That all sounds easy, but can there be challenges?

## Enter the API

The Application Programming Interface or API is a component element of cloud applications that enables disparate software applications to communicate, regardless of the programming language.

**Advice:** Watch out for vendors who state, 'We have an API...' as each vendor can write APIs differently and should not be immediately considered an automatic complete and comprehensive, two-way integration. Ensure to always ask for detailed information about what you will get when linking to another solution.

APIs are the game-changers in the finance/accounting profession, creating new markets and methodologies for best of breed 3rd parties to interconnect. In addition, you can choose a range of options/application(s) to suit your specific needs rather than being limited to those presented by a single vendor.

This evolution has led to a dramatic increase in the number of potential providers in the accounting/finance industry.

APIs facilitate change in how the software operates and the future state of working, sharing, and interacting with clients; the future is API based.

A move to the cloud invariably leads to other benefits, including reduced server infrastructure and the associated ongoing IT management costs.

These are often hidden costs of owning a network. In addition, the cloud gives arguably greater security and working location flexibility.

**Tip:** Organisations with ambitions to 'go to the cloud' must first evaluate their current technology & processes. Those open to change will determine what components to keep and change.

For smaller organisations, it is relatively easy to migrate 'holus-bolus'. However, larger businesses with disparate disciplines/systems will find the process more complex. The first step is to determine what is working, what isn't, and the preferred outcome. The ultimate goal is to match which technology is right for you.

All organisations want to provide a high level of service at a reduced cost by continuously improved methodologies, repeatable actions, automated where possible to reduce the effort needed to carry out those tasks.

### Why make the change?

Secure, reliable, easy and manageable access to information is key to any organisation to enable them/assist working with clients, now and into the future. As the pandemic showed, organisations attuned to technology managed the transition to work from home more effectively than those with older technologies. But unfortunately, many organisations were forced into a knee-jerk reaction and quickly replaced technology to keep their heads above water. Now is the opportunity to take the time to review and reflect on what works and can be improved.

Remedying shortfalls in capability will enable any organisation to process and share information in a real-time, online, seamlessly integrated manner to facilitate better engagement with clients, team members and management. Furthermore, once you establish these basics, you can implement a more straightforward path to future technology changes.

A well-chosen array of integrated solutions will facilitate a better working environment with higher productivity. A future goal for any business should be to provide a platform for better engagement with clients with the knock-on benefit of better capability for the organisation's team members and management with minimal interruption and then evolve the systems as appropriate from this foundation.

The legacy approach of "One system to rule them all" is no longer a reality as the development in 'Best of Breed' applications has eclipsed individual components of any suite.

**Tip:** Functionality crossovers are inevitable as software evolves from different providers. Choose software that meets most of your criteria. Then, work with that vendor on expanding their solution(s).

Resist the urge to 'wait and see': this will potentially leave you behind using older, less ideal software. Organisations that do not embrace technology will be superseded not by 'robots' or 'AI' but by organisations that embrace technology.

We are all becoming more connected, and integrated software can enable timesaving, fewer manual interventions, more flexibility than previously. So don't be hemmed in by old technology: use new capabilities to your advantage.



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Alan has 30 years experience in technology, nearly 23 of those just in Tax and accounting software. In 2015, based on demand from accounting firms, he established Practice Connections Advisory and offers independent and technology agnostic advice to firms big and small in practice management, workflow, tax, document management and reporting solutions options.

He is regularly engaged to write and speak on the accounting tech market by CPA Australia and CPA Ireland, CAANZ and The Tax Institute. He is also regularly engaged by corporate organisations to assist with developing accounting/finance technology strategies and vendors to help in future product development.

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