

Leadership Insight

by Mark Edmondson



Mark Edmondson
President & CEO, Inflo

Meet Mark Edmondson, Inflo President & CEO - Evolving accounting firms with next-generation technology.

Please provide a brief history of your career.

I've spent my career developing technology that empowers accounting firms to wield a strategic advantage by enhancing their client service delivery. Having started on PwC's fast-track program, I earned my stripes as a practicing accountant at the Big Four firm, leading audit and consulting engagements as well as developing new technology and methodologies.

As a specialist in the use of technology within the accounting profession, I founded Inflo to make a difference, more broadly identifying the opportunity to revolutionise the world of accounting with next-generation software that gives firms outside the Big Four access to the latest software capabilities.

I also regularly share my expertise on how technology is going to shape the future of the accounting profession as a keynote speaker at national and international conferences. I believe my subject matter expertise gives me a unique perspective on accounting while my team at Inflo works closely with organisations around the world to deliver market-leading innovations, leveraging emerging technologies such as advanced data analytics, process mining, robotic process automation and artificial intelligence.

I also play a role in a number of change initiatives around the world, for example working with the IAASB regarding technology and new standards for less complex entities, the ICAEW to evolve their learning and education pathways and the AICPA to advance data standards.

What were the biggest challenges when setting up Inflo and how did you overcome these challenges?

The biggest overriding challenge was trying to create change and bring new ideas and concepts into a profession that had been fairly static, and not accustomed to innovative, cutting edge, fast paced technology. There was also the challenge of trying to demonstrate the benefit of change and the opportunity of coming out of the other side as an industry leader.

Change can be difficult, but it's crucial to ensure continued success. With technology continuing to make such an impact on the accounting profession, firms face a significant shift. Therefore, the technology solution that firms adopt will need to position them on the best possible path for the future, providing short term success but long-term flexibility.

As such we tailored our approach to overcome these challenges. By breaking down what we were doing as an overall concept into bite-sized pieces, firms could focus on implementing a smaller piece of the overall solution and build up the confidence and skill set that they needed their teams to have.

As accountants ourselves, we knew first-hand the challenges and how to work together to address these concerns by focusing on the longer-term impact and value that Inflo could bring.

The technology combined with the support and service that we offered firms, made the journey far more of a partnership and a mutual effort rather than a traditional vendor/supplier type of relationship.

You regularly speak at international conferences around how technology is going to shape the future of accounting. Can you give us more insight into how technology will change the future of accounting firms?

Technology will change the perception of accounting firms and their capabilities. There is going to be a migratory shift driven by technology, with everyone acknowledging that technology is going to automate some of the more routine, mechanical, compliance aspects of what accounting firms currently do.

However, a lot of the time we are talking about bookkeeping services, payroll, invoicing – the administrative tasks. But a distinction is needed between low-complexity compliance such as bookkeeping, versus complex compliance such as external audit. For the audit, there is going to be progression through using technology in terms of what the audit delivers as an output and what an audit represents. The concept of assurance will also greatly expand, from the traditional audit of financial statements to providing assurance over non-financial and operational risks. Things like an organisation's sustainability information.

Ultimately though, one of the things that such a transition is dependent upon is the access to data, the availability of data and the use of data. What we've seen is that the accounting profession is becoming far more informed and firms are using data in new and different ways. First and foremost, they can use it quite simply to do their current engagements better and to deliver more value to their clients so their audit can be more insightful,

or their tax engagement can be more proactive.

Firms are wielding this as a competitive advantage – we've seen some firms going into tender situations and doing demonstrations of what their technology can do. Some are even going as far as getting data from their prospect to say: "this is what we can do, and this is how we can leverage technology to give you a new way of working".

Last year, we hosted an ICAEW webinar whereby participants were asked: how frequently is your firm using data analytics within your accounting services? 56% said that they often use data analytics but 44% said rarely which reflects where the profession is currently and where the opportunity lies in enhanced use of data analytics.

In late 2020, Inflo presented its vision for the Digital Accounting Platform, showing how auditors can leverage emerging technologies to deliver the Digital Audit.

This centred on the new development of workpapers documentation and audit methodology to drive an innovative and modern approach to auditing. A truly data driven audit approach.

What would you recommend accountants do first on their road to digitisation?

To thrive going forward, firms need to adopt a growth mindset. That means while things might come easier to some than others, everyone can learn and improve. Any firm that doesn't believe its staff are capable of adapting to changes to the way they perform their roles is going to struggle to execute a successful digital transformation.

The first thing accountants should do is really take stock. Understand exactly where they are and what their current processes look like, what their biggest pain points are and how staff in the firm feel about the way the processes are currently working.

Engaging a lot of people in that process is key - understanding not

just how senior people feel, but also the junior people. The benefit of this approach isn't just the collection of challenges, but culturally this achieves far greater buy in from their team and ownership in the change process that comes as a result. When you start to have conversations around transformation, the team feel an accountability to solve those problems by implementing new techniques.

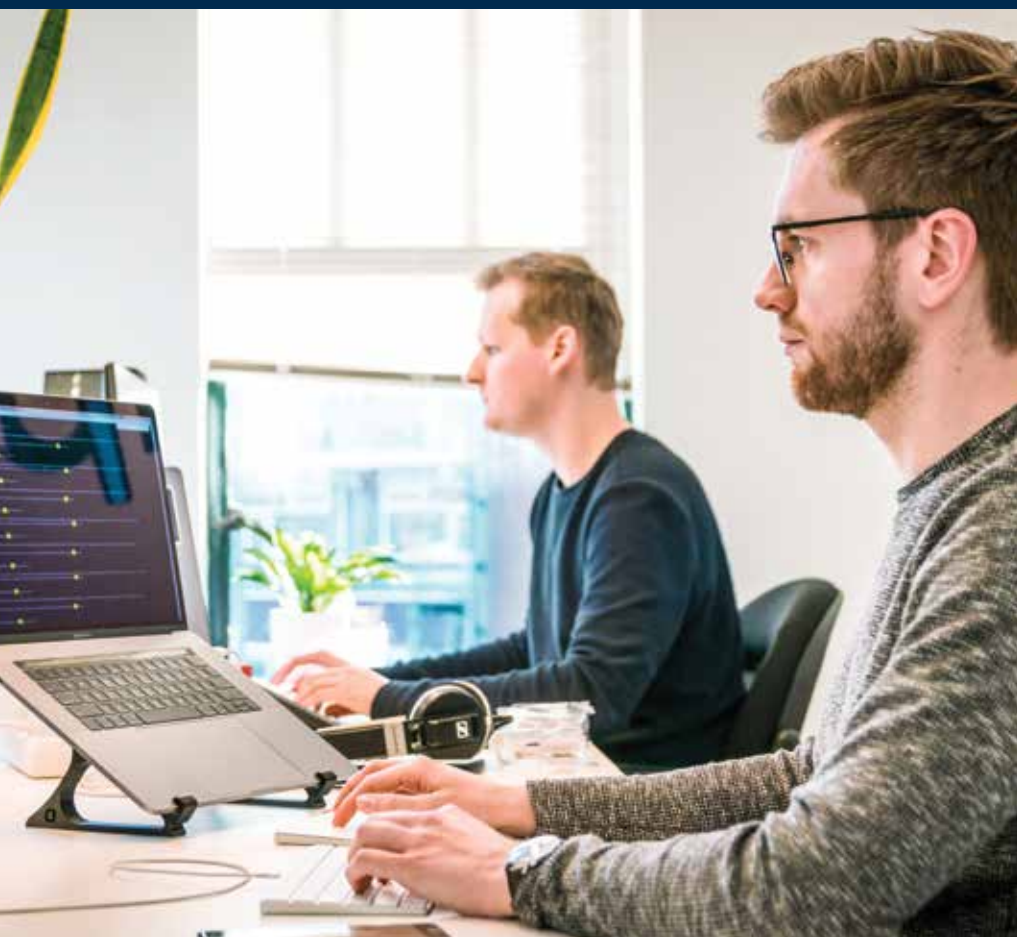
You should initially focus on some quick wins – changes which will have a lower impact but are easy to make and have a low risk of failure. Because even small successes put a feather in the cap and give those leading the transformation initiative the support and licence to continue their work and advance to bigger ticket items. Failure is ok but failing on something big as your first change will risk losing support for future change.

Taking digitisation concepts one step further, I see this typically fitting into three different approaches, each of which play an important role in an organisation's journey towards digitising its services.

The first approach is enhancing the work that you currently do, and this is really around identifying aspects of a service that you currently deliver that could be digitised or automated. There are lots of examples in any accounting firm of any size of things that are being done that could be digitised or automated.

The second approach is elevating, which is about using different techniques to achieve the same outcomes. So rather than automating the existing method of doing something, coming up with an alternative way of achieving the same results.

And finally, the third approach is around transforming, which is reimagining what you could do and how you could do it through leveraging digital technologies. For example, creating a whole new service offering e.g., a new advisory service, by leveraging the technologies that are available or could be developed.



At the moment, most firms would probably be focused very much on enhancing and really trying to find ways of digitising their existing way of performing services. However, it's very important as you're starting to think more broadly about digitisation, to work out how you are investing your time and effort, as it changes the way that you approach the digitisation and innovation that you are looking to achieve.

What has been the biggest challenge in encouraging accountants to make such big changes to their business?

The biggest challenge is conveying to accountants that a far greater use of technology in their processes and the involvement of third-party applications is going to be beneficial in the overall relationship that they have with their client.

Take Covid-19 for example, globally we have seen firms adapt quickly to the changes this pandemic has presented. For some, the move to digital has been challenging while others have been agile enough to

adapt. But the unprecedented scale and speed of the situation has been without a doubt difficult.

We know firms that have gone through the process of making changes are not just surprised, but beyond satisfied that they know their clients are actually getting an incredible increase in value and see it as being a far more collaborative process.

What do you think is the biggest challenge accountants face today?

The biggest issue facing the profession is relevance.

In a digital world, macro level issues such as trust, privacy and the availability of data are challenging the fundamentals of established professions.

The biggest issue for the accounting software market is how technology can augment the accounting profession of today, to become the accounting profession of tomorrow.

That evolution must centre around two core principles:

1. Modernisation of traditional accounting services to respond to the change in stakeholder needs, and
2. Creating new services to meet new stakeholder needs.

This includes traditional services such as external audit, where reviews in the UK and overseas have highlighted the disconnect between the services currently delivered and the expectations of those outside the profession.

New services, including cyber security, environmental impact, and disaster recovery planning, also point to opportunities for accountants to apply their skills in new ways.

To meet this challenge, accounting firms must embrace two key concepts:

1. Leveraging technology to automate and elevate their work, and
2. Developing new skills in their future workforce.



We are helping the profession overcome these challenges through development of the latest and greatest technologies. With ICAEW students using Info in their ACA exams starting in March 2021, we are embedding these technologies into the education of future accountants joining the profession.

What is the most important lesson that you have learned in your career?

Accountants acquire a far broader skill set than people immediately imagine. People can stereotype accountants as bean counters, yet a lot of the skills accountants in practice and business acquire have far broader applicability.

These skill sets and core competencies don't have to be applied in a traditional and preconceived way. Taking myself as an example, I'm a chartered accountant, but I don't spend a lot of my time looking at numbers on a day-to-day basis. I've taken the skills and experience that I've gained working in an accounting practice and turned them into a totally different role. These skills remain very relevant to what I do, but if somebody looked at my current role, I don't think that they would deem me to be an accountant.

Have you been able to step away from challenges the last number of months have brought and unwind?

During my career, I have become better at identifying when I'm close to work fatigue to avoid "hitting the wall". Because of this I took time over Christmas and some time over the summer to step away and switch off.

Even though we were in lockdown and couldn't really do anything, I found time to step away from the business to go and recharge my batteries. This helped me come back refreshed and reinvigorated. It also empowered my team, giving them plenty of opportunities to step out of their comfort zone and work on new things.

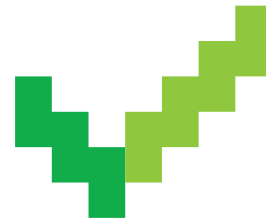
It's very important that people take time out to unwind, otherwise you end up with a tired workforce. That's not good for either the individual or the business. Christmas is the only time of the year nowadays where emails are not pinging, so I would advocate only working in that period if it's absolutely necessary.

But more generally, it's about understanding your own way of working effectively. Knowing when you are going to be at a far lower ebb unless you step away. At Info we give our people the tools, time, and space to get the job done but trust them to know how it needs doing. We find that's when our teams produce their best work.

As part of his CEO blog, Mark recently wrote a piece on 'What auditors can look forward to in 2021'.

A great read for anyone in the accounting profession, it provides insight on some key global initiatives.

Advanced VAT For Accountants



New: April Intake

Advance your
knowledge on high
level VAT issues

Update You

Key Details:

Where: Online via live stream

When: April 2021 - June 2021

CPD: 24 hours

Cost: 850

Book now at: cpaireland.ie

