



Connecting with clients in the cloud: **Your best business move**

By M. Darren Root, CPA, CGMA, CITP
CEO, Rootworks

Think back to a decade ago. The accounting profession was just starting to experience the advent of cloud-based technologies. The term *hosted* was still fairly new, but gaining in popularity. Back then the goal was to simply make operations less painful for firm staff and clients.

The best way to do this was to move to a hosted environment. But this was a tough sell because the argument for the move was based solely on convenience. And convenience alone made it difficult to justify the increase in fees.

Fast forward 10 years, and we live in a much different world. Clients expect 24/7 access to their information—not just added convenience. Throw in heightened concerns around security and an exodus from email and other less-than-secure delivery mechanisms, and the push to move to the cloud makes even more sense.

Consider your audience

Today's small business owners are among the most technologically advanced—more so than ever before. With the average age of entrepreneurs ranging from late-30s to 40, it's a no-brainer that this pool of progressive thinkers want on-demand access to data, greater flexibility, and the ability to work when and how they like.

Also consider that statistics don't lie—especially those compiled by big guns such as Microsoft, IDC (International Data Corporation) and Morgan Stanley. When you combine these facts and figures with the mean average age of today's entrepreneurs, there is no denying that the cloud is not a choice anymore...it's a must do.

Hard-Hitting Cloud Use Stats

IDC client study:

Cloud spending to increase by approximately **44%** over the next two years

Microsoft SMB Study:

82% of companies showed reduced costs as a result of utilizing cloud technology

Microsoft SMB Study (cont):

78% of small businesses will have adopted cloud computing by 2020; **43%** of businesses operating in the cloud wished they had done it sooner

Morgan Stanley predicts:

Microsoft cloud products will be **30%** of Microsoft's revenue by 2018

Rackspace reports:

96% of SMBs say the cloud creates less worries about outages

While the accounting profession as a whole still seems to be somewhat divided in terms of cloud adoption, the numbers continue to trend in favor of the cloud. So understanding the direction the business world is moving, why are so many firms (and their clients) still behind the times in terms of technology?

The answers haven't changed much from 10 years ago. Common concerns and objections fall into three categories: Price, Security and Fear of Change. Explanations around these concerns are detailed below, along with counter arguments to dispel objections.

1 Price

When you consider that most small businesses have tight budgets, cloud technology prices are sometimes viewed as expensive.

Counter argument: Price as a barrier is no longer a good excuse compared to the value cloud technologies offer. Top-tier servers; the ability to integrate with multiple, high-value systems; and advances in processing speed all add up to immense value that overshadow complaints centered on price.

2 Security

There is still a level of distrust around the cloud. Both SMBs and firms struggle with handing over their data—that is, moving it out of their four walls (private servers) and into the cloud.

Counter argument: The cloud represents the safest environment for data exchange and storage. With teams of data security specialists focusing on protecting your data, the cloud is one of the most secure ways to store information. The days of storing data in-house are long over, as are the days of emailing secure documents. Progressive business owners want to access data in the cloud not only for 24/7 convenience, but because it is the most secure mechanism.

3 Fear of Change

Fear is often a strong and persuasive motivator. Maintaining the status quo takes little effort, and many believe that doing things as they've always been done eliminates risk.

Counter argument: While a certain level of resistance to change is normal, businesses that continue to resist the cloud simply aren't sustainable over the long term. Firms that fail to move forward on connecting with clients in the cloud will find themselves rendered obsolete in the very near future.

Moving on up to the cloud: The sky's the limit on value

Current statistics support that the move to the cloud is inevitable. Pundits are predicting adoption of cloud technology will nearly double in the next few years. So where does that leave firms stuck on the "old way of doing business?" Simple answer: In the dust.

Firms that resist the cloud simply won't be able to compete with those that adopt it. Cloud-agile firms have the advantage of working within streamlined workflows, collaborating with clients in real time, and bolstering time and cost savings by eliminating time-intensive manual and/or paper-heavy processes.

Progressive firm leaders understand the value of working digitally—from basic time-savings to supporting a rich client experience. SMBs expect access to their data any time and from the device of their choosing (laptop, tablet, phone). And with greater access comes higher expectations. Think about sitting in a client's office or boardroom without instant access to all their relevant information and unable to perform ad hoc calculations and projections. Not good.

As we now start to dig into the value of cloud technology, those initial concerns (price, security and fear of change) will hopefully diminish. Consider the three major value propositions of moving to and connecting with clients in the cloud:

1 Supports a rich client experience

Business owners have a lot on their plates, so they are always looking for ways to save time. The cloud enables firms to work with their clients collaboratively online—eliminating manual processes, office visits and phone calls, and allowing clients to collaborate at their desired pace. This level of service is what clients expect, helping to ensure a rich client experience every time.

2 Supports streamlined, connected processes

There are thousands of apps available today that support highly efficient business operations. The cloud is inherently flexible, meaning that you can scale up solutions or scale down ones that don't work with your model. The move to the cloud opens up a vibrant ecosystem of apps that are often easily integrated to help build a streamlined technology infrastructure. This supports a connected workflow—and that spells efficiency!

3 Frees firms to offer higher-value advisory services

When firm leaders leverage real-time transactional information via the cloud, they will realize immense time-savings—freeing them to focus on higher-value advisory services. Additionally, on-demand access to data means that they can more easily identify opportunities to provide advisory support that clients truly value and are willing to pay for.

Final words...

The accounting profession, overall, is still relatively divided when it comes to the cloud. However, more and more firms are moving their clients to the cloud in small, but progressive batches. And this trend shows no signs of slowing. Remember, technology giant Microsoft predicts that 78% of small businesses will have adopted cloud computing by 2020.

In general, firm leaders understand the benefits to their clients such as better mobility, the ease of collaboration, and heightened security—vital elements when building a successful, sustainable business. With this base understanding, the prediction is that firms will continue to pick up the pace in terms of connecting with clients in the cloud.

Bottom line: Moving your clients to the cloud is **your best business move!**