The **status quo** could leave your firm at **risk.**

Modernize now to buy time for service innovation, and focus on what matters.

The nature of small business changes with every advancement in technology. Supporting industries like accountants and CPAs have much to lose and gain by adapting to the new landscape. Read on to learn what's at stake, and how you can start modernizing now to buy time for service innovation.

"Normal" won't be enough

Technology constantly changes the shape of business, across every industry. Accounting is no exception: complacent accounting and CPA firms are at risk if they don't innovate. The 2016 State of Small Business Report by Wasp Barcode Technologies found that 41% of small and medium businesses' biggest complaints about their accountants were that they seemed more reactive than proactive. Clients want to see and feel the value from their service providers; laggard firms play a dangerous game.
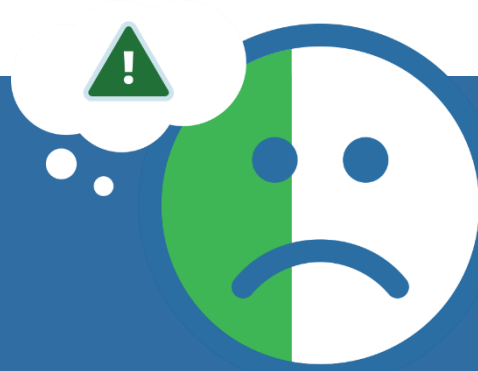
41%

of small businesses'
(11-25 employees) top complaints
about their accountants are that
they're more reactive than proactive

Source: August 2017 "Putting CPAs at the Center of the Digital World", Accountex

Further evidence that clients are seeking more value from their service providers comes from the International Federation of Accountants in their 2016 IFAC Global SMP Survey. In this global study of practices around the world, they found that 70% of small and medium-sized practices expect revenue growth in Advisory and Consulting Services in 2017.

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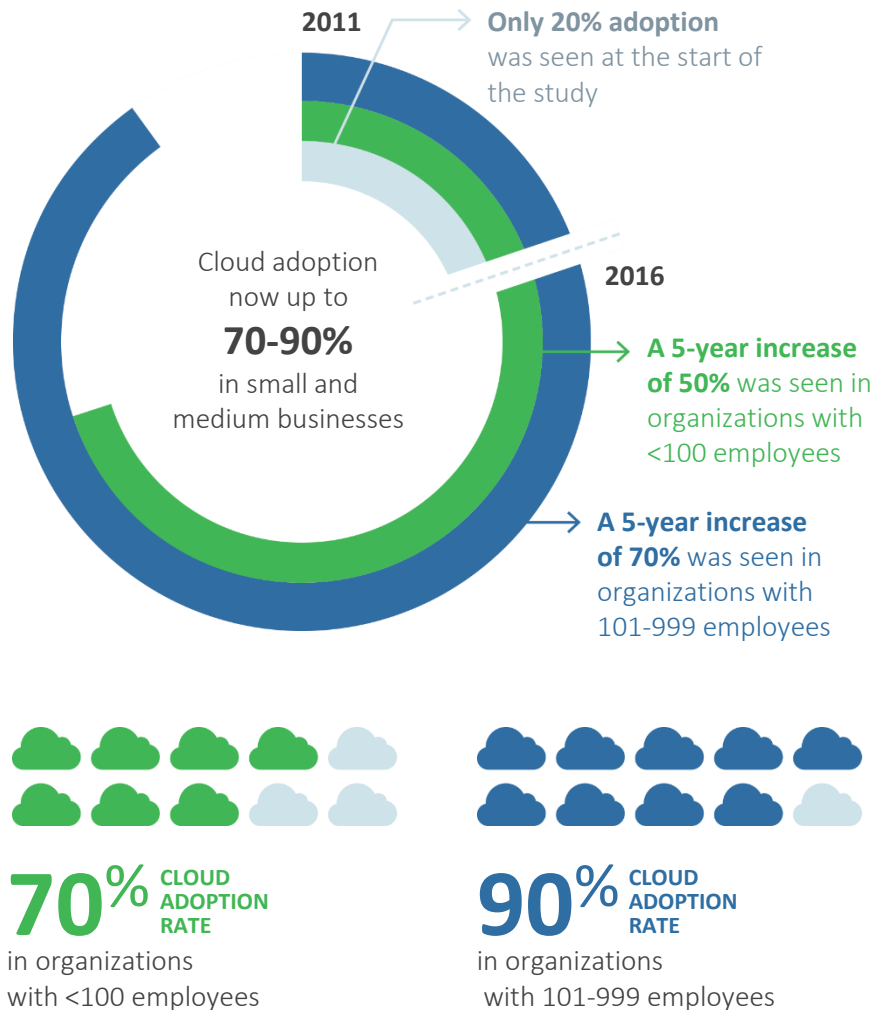
Source: August 2017 "Putting CPAs at the Center of the Digital World", Accountex

Advancements in bookkeeping software streamline those tasks, opening the door for new services and opportunities to provide clients value. It is critical to carve time out now to get strategic and stay relevant.

The biggest and most pivotal change to adapt to the new landscape is a shift to cloud software and applications. While elevating service offerings is important, operational tasks also have room to improve.

Small and medium business cloud adoption has been steadily gaining momentum over the past few years.

IDC's 2016 SMB Cloud Report shows that the cloud adoption of organizations with <100 employees rose from 20% to 70% in the last five years. Organizations with 101-999 employees saw adoption rise to 90%.

2011

Only 20% adoption was seen at the start of the study

Cloud adoption now up to **70-90%** in small and medium businesses

2016

A 5-year increase of 50% was seen in organizations with <100 employees

A 5-year increase of 70% was seen in organizations with 101-999 employees

70% **CLOUD ADOPTION RATE**

in organizations with <100 employees

90% **CLOUD ADOPTION RATE**

in organizations with 101-999 employees

Source: 2016 SMB Cloud Report, IDC

Rising cloud adoption rates will continue to impact how business gets done. Spiceworks published a 2018 State of IT Report which found that, in North America, 45% of communications/collaboration and 33% of all productivity apps are now in the cloud. The primary drivers behind this adoption include access to data anywhere (42%) and better flexibility/scalability (40%). These points support the notion that clients will expect cloud-based productivity and modern collaboration.

Service providers who can't keep up will likely fall behind.

33% of productivity applications

45% of communications/ collaboration

What's in the **cloud?**
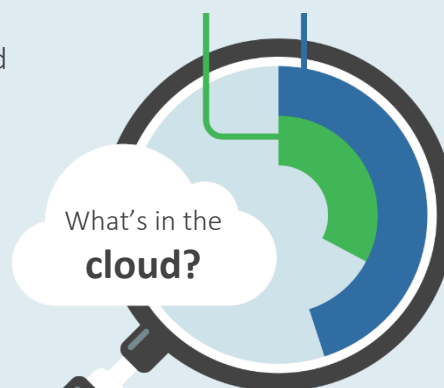
What's driving **adoption?**

42% move to cloud to access data anywhere

40% move to cloud for better flexibility/scalability

Source: 2018 State of IT Report, Spiceworks

There is still time to get ahead of innovation rather than merely keep up.

While cloud adoption among small and medium businesses may be rapidly growing, many accountants still lag behind. According to the AICPA's 2016 National Management of an Accounting Practice study, 44% of firms admitted that they do not use cloud-based software. The best time to migrate to the cloud is now; service providers who show their clients that they're fluent in cloud-based software and communication/productivity applications will stand out.

If that is not convincing enough, consider the growth opportunity. There are huge gains to be made for those reaping the benefits of cloud. A Xero Blog post in May 2017 announced that cloud-based accounting firms add five times the amount of clients than traditional firms. The benefits speak well for themselves; cloud enables you to be more productive from anywhere, and gives you the flexibility to be partners to your clients rather than mere service providers. In the cloud, you can load your business-critical applications seamlessly rather than fussing with software packages.

44%

of CPA firms say they don't use cloud-based software

Source: 2016 National Management of an Accounting Practice, AICPA

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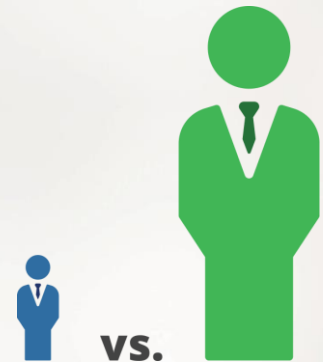
5x

Cloud-based accounting firms add 5x more clients than traditional firms

Source: May 2017 "Cloud-based accounting firms add five times the amount of clients of traditional firms", Xero Blog

What's next?

If your practice is not yet up to speed, you are not alone. 92% of accountants do not feel "future-ready," according to "Putting CPAs at the Center of the Digital World" by Accountex in 2017. Maintaining your practice by performing client services should be where you spend your time. Rather than fussing with on-premise software and applications, worrying about security, or planning your day around being at your desk, you can safely pass those worries to experts who will support you. Let Right Networks help you transform your business by getting your accounting-based desktop and legacy applications into the cloud.

92%
of CPAs don't think they are "future-ready"

Source: August 2017 "Putting CPAs at the Center of the Digital World", Accountex

How Right Networks Can Help

Right Networks gives you a solid foundation to make the move from compliance to advisory. We'll help get your current accounting-based desktop and legacy applications into the cloud with zero downtime, airtight security, and 24/7/365 support and onboarding. Even your QuickBooks Desktop clients will be able to confidently work in the cloud. We know your reputation is on the line, so go with a solution that is backed by Intuit. Get your firm on the path to success using Right Networks Business Cloud and Application Cloud.

Business Cloud
A productive, connected cloud with the critical applications you need to get the job done.

Get the speed and security of QuickBooks Desktop cloud plus access to your critical business applications including Microsoft Excel, Expensify, T-sheets, and Bill.com. This and additional storage (10GB total) gives you a powerful, cloud-enabled ecosystem. Business cloud is a simple, secure way to work, with your cloud-enabled critical business applications in one place.

Application Cloud
All the apps you need, connected.

Application cloud is the foundation you need to connect to your clients and colleagues. Connect your QuickBooks Desktop to unlimited apps in our curated application ecosystem, perform your everyday business tasks with Microsoft Office, and get 50GB storage. Application cloud has everything your team needs to do its best work.

Call 888-210-0237 or visit rightnetworks.com

Citations

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