

Meeting changing client needs in the post-covid digital environment

ALTERNATIVE INSIGHTS: ACCOUNTANCY HANGOUT 5
IN PARTNERSHIP WITH CIRCUIT

Top 3 takeaways:

- 1 Be prepared to procure different 'best of breed' systems for different tasks – most will integrate well with one another.
- 2 Technology will be the decisive factor in whether firms survive and thrive in a post-Covid world.
- 3 Invest in systems that free-up your people to focus on understanding and responding to client needs, not performing mundane tasks.

Meeting client needs and effective client communication - two of the biggest challenges facing professional services firms as they adapt to new working models.

The remote working approach that most firms have adopted – and which looks to become a much more accepted way of working in a post-Covid world – is, by definition, largely uncentralised.

This can be liberating and enable a more flexible approach, freeing firms from some of the rigid systems and costs of having a large, expensive, high-capacity office. But at the same time, this kind of digitally-enabled 'hub and spoke' model can create huge challenges in terms of communicating consistently with clients and responding to their evolving needs.

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POST-COVID DIGITAL ENVIRONMENT



So what does this mean for accountancy firms and what are some of the strategies being used to respond to these issues? Three expert speakers shared their insights in our Accountancy Hangout #5.

All our speakers agreed that the foundation stone for any professional services firm looking to navigate a successful path through this 'new normal' is technology.

For Becky Shields, Partner at Moore Kingston Smith, it's not only about using technology to generate and communicate information to clients. It is also about technology as a tool that simplifies client engagement and enables firms to meet their clients' needs concisely and consistently, without bombarding them.

Adrian Rodaway, Managing Partner at HPH Chartered Accountants, takes it one step further. Technology, he believes, is probably the most important indicator of how firms have performed during lockdown – and are likely to do in future. Those that have invested in up-to-date digital systems – or are actively doing so - are much better placed to survive and prosper than those that don't. It can help firms build deeper relationships, produce better communication and be much more responsive to client needs.

Our third speaker, Maria Mason, Director, Employer's Support at BDO, explained how a 'best of breed' approach to investing in digital platforms and solutions to meet the discrete needs of service lines has enabled her team to enhance the firm's payroll services and develop a profitable service line that meets clients' new needs and expectations.

"It's unlikely you will find one system to accommodate everything," said Maria. "Find the best of each of the elements you need, because most systems work very well together."

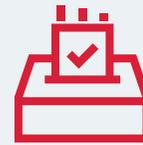
She cited the example of a new 'best of breed' solution to automate billing and reporting, which integrated with the firm's existing systems. For an investment of £17k, it saved £200k in time in its first year alone and liberated finance staff to focus on more value-adding tasks.

This point was picked up by our poll question from Circuit, the Audit Confirmation & Collaboration platform. The question asked was: "Post-Covid, which service lines do you expect to see the highest rate of technology adoption?"

The four options for the audience to choose from were:

1. Audit & Assurance
2. Tax
3. Accounting
4. Advisory

Almost half of respondents (46%) thought accounting would see the highest rate of technology adoption. One quarter (26%) thought it would be audit and assurance. 18% said advisory and only 10% thought the tax service line would see the highest adoption of technology.



PROFESSIONALS WHO ATTENDED THE SESSION

Poll results:

1 Do you feel you understand the risks posed to data stored in cloud platforms such as Microsoft 365 and G Suite by not having an additional layer of protection?



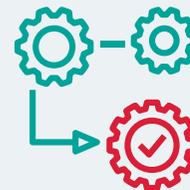
68% Yes, we have additional protection such as backup

20% Yes, we understand but do not have additional protection

7% No, I believe that Google or Microsoft protect this data

5% It's not something we have considered

2 In light of Covid to what extent have you found that you will need to change systems to meet new challenges, will you consider changing:



57% Some specific areas

27% Both practice management and back office systems

16% Not at all

3 Post-Covid which service line do you expect to see the highest rate of technology adoption?



46% Accounting

26% Audit & Assurance

18% Advisory

10% Tax



Over the past decade, technology has already made a huge difference to many aspects of the accountancy profession. Systems based on artificial intelligence, machine learning and robotics are already automating complex and repetitive tasks and processes. According to researchers at Sage, 58% of accountancy professionals are expecting to automate tasks using AI solutions within the next three years. Circuit themselves, have seen an increased interest and engagement from Audit Teams over the past three months, during Covid restrictions, indicating a more rapid adoption of the automation of existing processes; Audit Confirmations and PBC for instance. Increased remote working and how firms were adapting their interaction with Clients being two key drivers.

As Adrian pointed out, however, the necessary focus on digital systems should not mean firms neglect their most important asset – their people. Clients are looking to their professional advisors for more than ‘technical’ support alone. They are increasingly looking for deeper relationships that add more value than a merely transactional one.

“Clients will be looking for deeper relationships than before as they seek to rebuild their fragile businesses. We all need people to talk to and even strong leaders often need someone to chat things over with,” he says.

Firms need to give their people the tools, the competencies, and the knowledge to meet these evolving client needs. By streamlining data analysis, mitigating fraud and addressing the data challenge, digital technologies are critical to enabling professional advisers to take on this more holistic, critical thinking role - giving them more time and more confidence to really focus on client needs and start to build those relationships.

Said Maria Mason: “Don’t let fear of change stop you from moving forward. A little suffering now can save you much greater pain in the long term.”



PROFESSIONALS WHO ATTENDED THE SESSION

Poll results:

4 What steps are you taking to ensure you meet your clients’ changing needs?



46% We’re investing in technologies to help us with collaboration

41% We’ve invested in training to ensure our people can communicate effectively with clients digitally/remotely

13% We’ve asked our clients what they want from us

5 Given the changes to working situations and the added pressures on your payroll team, how is your firm addressing the needs of your payroll clients and the technology used to support this?



41% We are actively investing in new solutions NOW to better support our payroll team and clients

17% We plan to review our solutions and make changes in 2020

17% We believe we already have the best possible setup for our firm and our clients’ needs

14% We plan to review our solutions and make changes in 2021

10% We do not know whether new solutions are required for our payroll to meet our clients’ needs



About Circuit

Bank Confirmations. Automated.

Circuit is an FCA regulated platform connecting the key parties in an audit engagement. We are unique in connecting auditors to both, a global network of Banks for real-time audit confirmations and their clients for PBC requests.

Additionally, Auditors can now verify every bank transaction directly from the back-end system of the banks, and drive higher audit quality for pre and post year-end testing. This is set against an intuitive and user-friendly interface which greatly improves client experience & saves up to 80% of time and costs for auditors.

<https://circuit.io>

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