E-BOOK

Becoming a Future-Ready Practice

Get in the best position for growth in the coming decade

Contents

Foreword

Bill Sheridan
CCO, Maryland Association of CPAs

"The greatest shortcoming of the human race," physics professor Albert Allen Bartlett once said, "is our inability to understand the exponential function."

What does that exponential function look like?

Here's an idea.

Find yourself a chessboard. Place a single grain of rice on the first square of that chessboard. On the second square, place two grains of rice. On the third square, place four grains. On the fourth square, eight grains. And so forth. Continue doubling the number of grains of rice on each subsequent square.

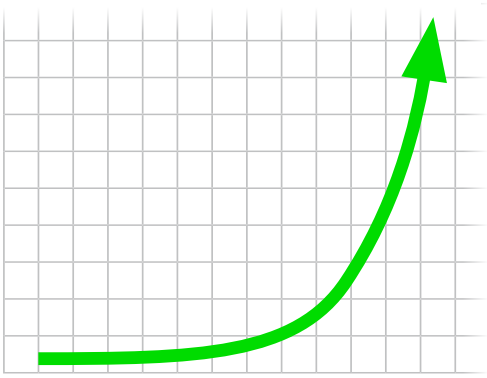
By the end of the first row of that chessboard, 128 grains of rice will sit on that eighth square. On the 21st square, you will have more than a million grains of rice.

On the 41st square, you will have more than a trillion grains of rice.

And on the 64th and final square of that chessboard will sit a pile of rice that weighs more than 460 *billion* metric tons. That pile of rice will be bigger than Mount Everest. It will, in fact, be about 1,000 times more than the global production of rice in 2010.

In 64 steps, from a single grain of rice to Mount Everest.

That is what the exponential function looks like — gradual growth followed by sudden, explosive growth. On a graph, it looks like this:



Exponential growth sounds incomprehensible, but a perfect example of exponential change is happening as we speak, and it's impacting every job on the planet — yours and mine included.

It's Moore's Law. Its origins date back to 1965, when a gentleman by the name of Gordon Moore — who would co-found Intel just three years later — theorized that the cumulative processing power of our computers would double every 18 to 24 months.

He was right. From 1965 to this very date, our computers get twice as powerful every 18 to 24 months.

That's staggering. Moore's Law has ushered in an era when we all carry supercomputers in our pockets, when some experts speculate that the first person to live to 150 years has already been born, when machines can think and learn and get smarter with every task they carry out.

Technological advances are changing our careers before our very eyes, but understand this: Given the exponential function and Moore's Law, the pace of change will never be as slow as it is today. The speed at which our world is accelerating will only get faster.

Hard trends are reshaping our world

Technology is just the first step. There are other "hard trends" — future facts, things that we are absolutely certain will happen with regularity going forward — that will have a lasting and disruptive impact on our clients, our profession, and our world.

• **Legislation and regulation:** As technology advances, regulators will continue to struggle to make sense of the implications these advances will have on our world. Therefore, new legislation and regulation will continue to create unimagined chaos and complexity for accounting and finance professionals everywhere.

• **Demographics:** Ten thousand Baby Boomers are retiring every day. Or maybe they're choosing to not retire. Either way, their decisions will have dramatic impacts on our organizations. If they retire, how do we replace that lifelong experience and knowledge, especially considering the generation behind them — the Gen Xers — are about half the size of the Boomers? And if they don't retire, how do we make room for the next generation of leaders to leave their mark on our profession?

The challenges facing the next generation of practitioners are great, indeed. The answers to those challenges — the ways in which we will conquer them — will lie in our ability to out-learn the pace of change, to master the skills we'll need to remain relevant going forward.

Those skills are found at the intersection of deep technical accounting and finance knowledge and the much broader human skills (some might call them "soft skills") like leadership, anticipation, strategic and critical thinking, communication, and collaboration.

The professionals who master these skills will be the ones who will lead our profession into the future.

Let the learning begin.

Introduction

89%

of accountants in the U.S. believe there has been a cultural shift in accounting.

The Practice of Now 2019 survey from Sage

Reasons listed for this are that the changes are generational, with younger employees bringing different attitudes. Widening client expectations are also cited, as are market demands that mean practices need to demonstrate more flexibility than before. And, of course, the ongoing digital revolution is a cause too. Accountants over the past few years have become used to change, and perhaps even expect it. It might feel that things are moving too fast.

But are they really? AICPA President and CEO Barry Melancon was recently quoted as saying: "This is the slowest pace of change that we will see for the rest of our lives." That's profound. The leader of one of the biggest accounting certification bodies in the world says the pace of change right now is actually the slowest it's likely to be for the foreseeable future. Accounting firms need to be prepared to become future-ready practices and position themselves for growth in the coming decade.

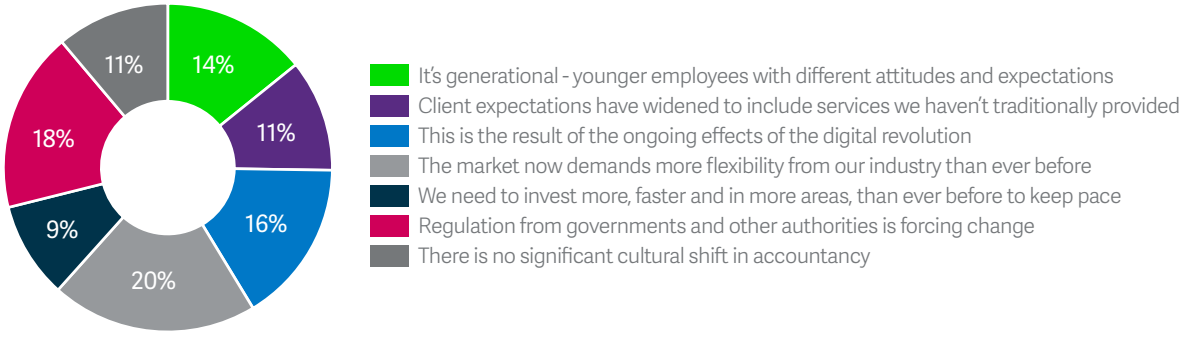
The practice of the future is going to focus a lot more on client advisory services, in addition to core competencies such as bookkeeping, compliance and auditing. Technology will become even more central to what they do. And if practices don't keep up with the rate of change? Well, the future might just continue without them.

There are three areas practices need to examine. The first is the changing client profile. This is less about evolving client needs, as it's often framed, and more about understanding the generational divide that's occurring right now. The second is ensuring the practice's workforce is prepared. This might be ensuring your staff are representative of the world outside the four walls of the practice offices, and it might mean putting in place more relevant training. Lastly, there's the new technology on the horizon. If futurists are correct, then blockchain and cryptocurrencies may well revolutionize the world of finance and accounting in unprecedented ways.

The practice of 2030 may look very different from today. Are you ready?

U.S. Accountants answered
"Which of these statements best describes the cultural shift in accounting?"

Source: Sage's Practice of Now 2019, N=1,014



Generational changes in clients

What's the biggest age demographic in western countries right now? Baby boomers? Gen-Xers?

It turns out that it's Millennials — often cited as those born after 1981, but with a particular focus on those born 1997 or later, a group sometimes hived off into their own age demographic called Gen-Z (although here we consider Millennials and Gen-Zers as the same).

Did you know that 2018 was the first time that those born after the year 2000 came of age? Millennials have already surpassed baby boomers in the United States as the largest living generation, according to population estimates released by the U.S. Census Bureau.

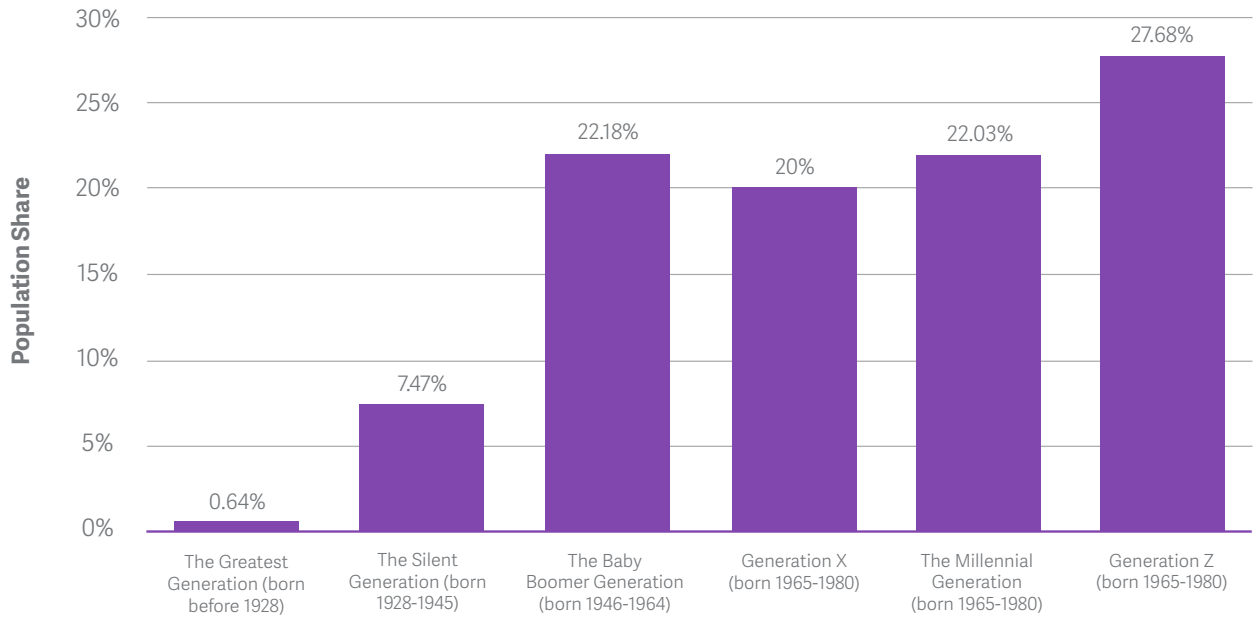
Millennials are starting more businesses, managing bigger staffs, and targeting higher profits than their baby boomer predecessors, according to the BNP Paribas Global Entrepreneur Report. And Millennials are discovering entrepreneurship significantly earlier than the baby boomer generation did.

Moreover, the share of the nation's wealth controlled by Millennials is set to rise to over $10 trillion by 2030.

It's crucial for accountants to take the time now to understand what drives this generation in terms of attitudes to technology, values, and motivation.

Population distribution in the United States in 2018, by generation

Source: US Census Bureau, 2018



Cultural identity

Sage's Walking the Walk research sought the views of Millennials likely to be encountered by accountants via 7,400 online surveys with entrepreneurs aged between 18 and 34, in 16 countries.

The results revealed a more socially aware and perhaps less aggressive approach to business and entrepreneurship than has gone before.

For example, a work/life balance or integration is an important consideration for these young entrepreneurs. A whopping 66% said they prioritize life above work, and 62% of those surveyed say they have sacrificed profit to stay true to their personal values and ethics. Meanwhile, 69% say that doing social good is an important part of what they do.

The vast proportion of those surveyed are still as excited about their business as they were when they started it up; however, the majority don't see themselves running it forever. In fact, a quarter of those surveyed say they find the number of hours they have to work demotivating. This is particularly true of those in the US, where 29% reported this.

A quarter of those surveyed also say that reducing the number of hours they spend working and retiring early is a key focus for them.

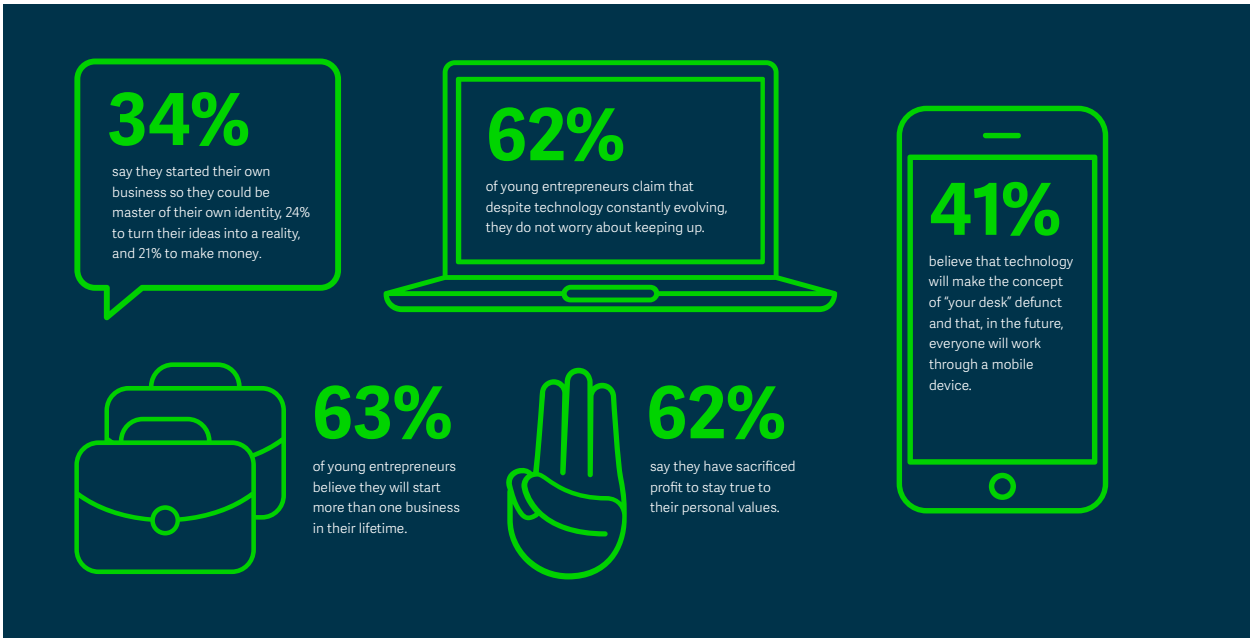
Businesses values

Entrepreneurs of the Millennial generation start their own business for three key reasons; a desire to be master of their own lives, to turn their ideas into a reality and to make money.

With integrating work and life being so key, it makes sense that 37% of entrepreneurs surveyed see their business as a reflection of themselves and measure their own success by the success of their business. They take pride in their work, with many wanting their businesses to grow and for them to be famous off the back of its success.

However, entrepreneurs of this generation don't just want to be successful. They want their work to be fulfilling too. They see working for themselves as a way to stay true to their values; over a third say they started their own business so they could be master of their own identity.

This notion has proved so alluring that 63% of entrepreneurs believe they will start more than one business in their lifetime, and of those, over half are motivated by the ideas they want to share with the world.



Ways of working

What's clear from the research is that Millennial entrepreneurs greatly value flexibility and want to have freedom over when, where, and how they work, as well as with whom. A third of those surveyed said they wanted their business to grow, but only as long as they continue to work for themselves and can be autonomous.

The same number say they strive to recruit staff who share their personal values, and another third want employees to share their ambition and drive.

Two-thirds of the global entrepreneurs surveyed say they enjoy bouncing ideas off team members. It's perhaps no surprise then that 61% also say they socialize with coworkers at least once a week, no matter what, and almost a quarter say that when it comes to the smooth running of their business, company culture is the most important element of their business. In the US, 73% of entrepreneurs say they socialize with their team at least once a week.

A love affair with technology

We're all familiar with the stereotype of the Millennial: whiz kids, typing a mile a minute, with all the latest devices.

The research shows that mobile devices are the platform of choice for today's entrepreneur, and, as you might expect from a generation that has been computer literate from an extremely young age, a large portion place huge emphasis on technology and are keen to be at the forefront of new trends. How does this translate when working with Millennial clients? It means it's very important to have mobile accounting solutions to meet their needs.

More than a third of young entrepreneurs say the technology they use is the most important element when it comes to the smooth running of their business; they couldn't prosper without it. When it comes to networking and new business, almost 75% of those surveyed say that they use technology rather than a face-to-face approach.

62% of young entrepreneurs claim that despite technology constantly evolving, they do not worry about whether they will be able to keep up. And 72% claim they do not worry about whether they will be able to afford the latest technology.

Looking to the future, in the next ten years, 41% of those surveyed believe that technology will make the concept of "your desk" defunct, that the workplace will have more virtual staff and that, in the future, everyone will work remotely and flexibly, over a mobile device.

A team fit for the 21st century

While the accounting profession might be experiencing a cultural or evolutionary shift, there's little doubt that meeting increasing client expectations starts with the people in the business. The Practice of Now 2019 sought the views of accountants about this challenging issue, and the results are both surprising and indicate that there's much work to be done.

Recruiting and training

In the Practice of Now 2019, 82% of accountants said they are considering recruiting from a non-traditional background.

Furthermore, 43% of respondents say that new accountants joining the profession should have industry experience outside of accounting.

It might be that accountants are starting to realize a successful firm is actually a relationship management business—a fundamental and profound shift compared to the way things formerly worked.

Engaging with clients, managing the relationship, making sure that accountants contribute towards their clients' success—this requires firms to have different skill sets within their practice.

In a separate question examining skills (see chart, right), survey respondents listed relationship building as important for new accountants joining the profession, along with technological literacy, business advisory skills, and project management abilities.

Additional skills accountants need

All of this is leading to a very clear problem, which is that traditional accounting training is becoming viewed as increasingly inadequate. According to the Practice of Now 2019, 62% of accountants agree that today's accounting training programs will not be enough to run a successful practice by 2030.

Accountant training has traditionally been all about understanding the legislation. To be truly future-proof, the whole training approach needs to evolve in a holistic way— understanding how to work with people and how to get the best out of people. There will need to be a shift to soft skills, in addition to the traditional hard skills.

Questions that accountants need to ask include: How do I engage with my clients more deeply, and in real time? How do I provide advisory services? How do I become their success coach?

As a profession, accountants need to either think about how to evolve accountancy training to address the gaps made by new technology, or to complement traditionally trained accountants with soft skills that address the gaps within your practice.

A diverse workforce

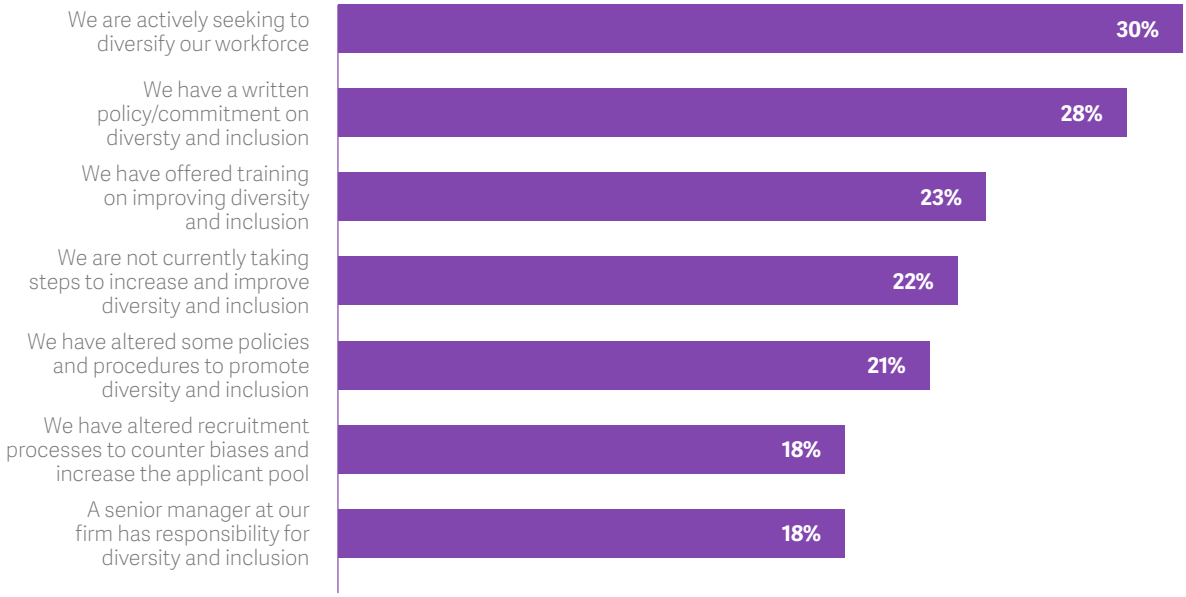
This year's data identifies an underlying issue not yet addressed by many practices, in that 30% of firms say they're actively seeking to diversify their workforce. With a gulf in the talent needed to build a modern, digital firm, a commitment to building a diverse workforce is vital—one that makes use of individuals with a broad range of skills, and from a broad range of backgrounds.

Many enterprise-level businesses have policies intended to attract and retain talent from all backgrounds, thereby filling their business with

people of different levels of educational or physical ability, ethnicity and gender. These businesses have realized it's imperative that the workforce is representative of the customers they service.

However, our research shows only 28% of our respondents have a written policy on, or written commitment to, diversity and inclusion (see chart, right). The profession seems to be lagging behind in diversity and inclusivity, where there could be an area of immense opportunity.

Diversity and inclusivity in accountancy



The value of a more diverse workforce is in matching the expectations and experiences to those of your client base. So says Jules Carman, Head of Global Alliances and Digital Transformation for Accountants at Sage: "People from diverse backgrounds bring experiences that others may not have had. This will be imperative as the role of the accountant evolves to becoming an advisor. It's all about the people that bring experiences, and the relationships."

There's certainly evidence the general business landscape continues to evolve. Women-owned businesses in the United States grew a massive 74% between 1997 and 2015, according to the State of Women-Owned Businesses Report, from American Express. 14% of those businesses were controlled by African American women.

"Diversity in the workplace fosters a much greater trust, a much greater sense of teamwork," continues Jules. "It offers different ideas and different perspectives on things that as a practice, as a team of people working together, can make them more efficient."

Attracting diverse recruits

People may consider diverse practices to be forward-thinking and modern – undoubtedly a good way to build a reputation in the modern world. Diversity, by association, will become a key driver for recruitment in the coming years.

The Practice of Now 2019 research revealed that 40% of new staff join a practice over its competitors because of its reputation. In fact, it's the leading reason for recruits to favor a firm, above even salary and bonuses.

"Looking forward, an accounting practice has to be thinking about recruitment," concludes Jules. "They need to ensure that new recruits get the best possible experience from day one, and ensure they're being coached. They need to be given every opportunity to go and explore and be comfortable enough to play. Because these are the people who, given the freedom, will help invent new ways of working and new processes."

Technologies to watch

Technology enables modern accounting, finance and tax in a way that is rarely seen in other professions. It's no exaggeration to suggest that accounting professionals are always on the verge of a new revolution as fresh technologies make core tasks more efficient.

There are perhaps three technologies on the horizon that accountants should closely monitor:

- Blockchain, including cryptocurrencies and smart contracts.
- Artificial intelligence, including smart assistants/ bots, and machine learning.
- The continuation of cloud technology, including how it's partnered to the boom in mobile technologies.

Cloud technologies are perhaps the most visible in that many practices have already adopted them in some fashion (see chart, right), but the story is far from written and forthcoming technologies will build upon the cloud to reach new heights (pun intended).

Core modernization and exponential tools impacting the finance function

Source: Re-inventing Finance for a Digital World; CGMA/AICPA, 2019

	Cloud	Process Robotics	Blockchain
Are you aware of?	91%	50%	48%
Does your finance team use now?	54%	11%	2%
Does your finance team plan to invest in during the next 12 months?	29%	15%	5%
Does your finance team plan to invest in during the next 3-5 years?	23%	17%	9%

Blockchain
The most-hyped technology of recent years, blockchain is likely to revolutionize accounting because, at its core, it's a more efficient and secure way of recording transactions of any type.

Some organizations refer to blockchain as Distributed Ledger Technology.

Worldwide spending on blockchain technologies across 2019 is expected to reach US$2.9bn. According to research from Deloitte, 38% of financial services organizations worldwide are aware of blockchain, while 49% are experimenting and building proofs of concept. 11% are using blockchain already.

What is blockchain?

Most of us know that it's impossible to remove something once it's online. Leaks of once-secret government documents are a perfect example. Within hours they're everywhere.

So, what would happen if you attempted to run a business' accounting ledger on the public internet?

Well, each local office would be able to access it. Each local office would be able to change it. But no single office would have ownership of that ledger. It would be decentralized.

Of course, you'd need some security system to stop strangers meddling with it, and to stop fraud. What if you used digital signing and cryptography to ensure only authorized people could add new transactions to the ledger? And to avoid fraud, what if you could securely link every transaction to a previous transaction so that authenticity is guaranteed by this constant chain going right back to the beginning?

Effectively, this would mean there could only ever be one version of the ledger that people trusted because it contained this history of every secure transaction. Experts refer to this as a single source of truth. People might have their own copy of this ledger, but they'd need to ensure it was up to date to be able to add transactions to it.

Blockchain deployment within industry worldwide

Source: Deloitte, 2018

Industry	%
Automotive	12%
Consumer products & manufacturing	29%
Financial services	11%
Food	17%
Health care	11%
Life sciences (including biotech, medical devices, and pharma)	23%
Oil & gas	15%
Other	12%
Public Sector	10%
Technology/media/telecommunications	20%

Creating a blockchain
If we call each transaction that's added a block and consider that these blocks are chained together by those cryptographic links, then we have a 'blockchain'—a decentralized ledger that can be used to securely and irreversibly record just about any data.

Once the ledger is created, that's the end of most of the required administrative work. The ledger doesn't need to be specifically stored anywhere, such as in a locked filing cabinet in an office. Although there have been some early implementation issues surrounding security, experts agree that blockchain is inherently secure so is unlikely to need checks such as auditing. Blockchain is therefore less expensive than alternatives.

Finance, education, health, property... Blockchain could be used anywhere that a continuous, secure record is required. De Beers is using blockchain to track diamonds through the supply chain, for example.

Don't fear the blockchain!
It's natural for accountants to get sweaty palms upon learning about blockchain. It might made redundant several central revenue-generating tasks traditional to the profession. However, Doug Sleeter, CEO of The Sleeter Group, says there's nothing to fear. He's extensively researched and written about blockchain and cryptocurrencies.

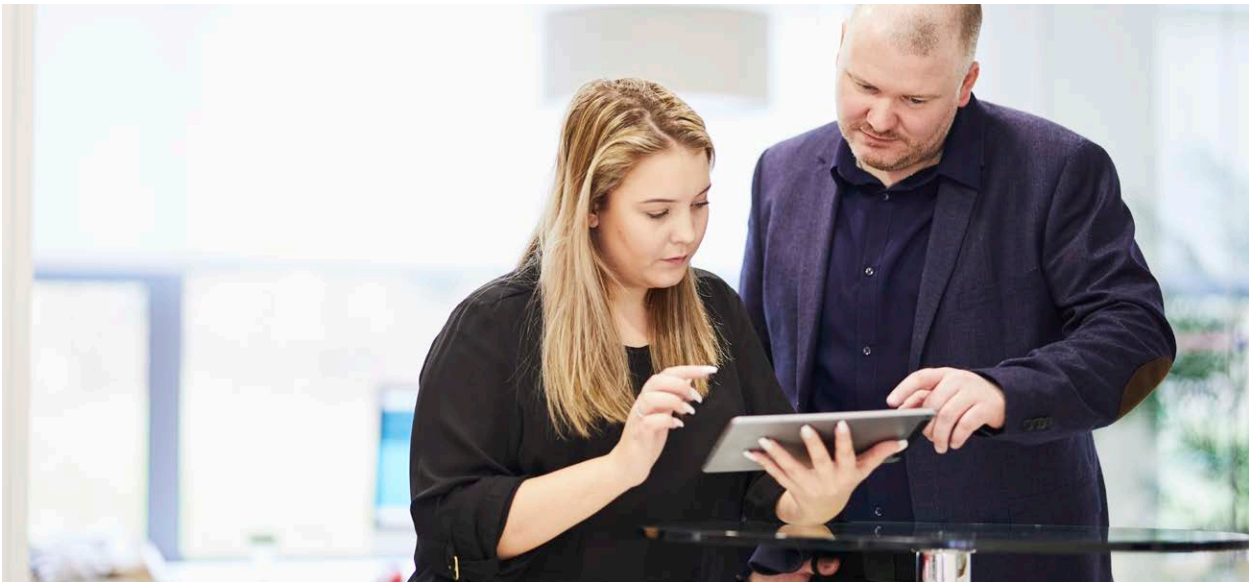
"It's just like other technologies we've seen," he says. "It has the power to make the accountant's job both easier and more accurate."

Ultimately, as with any technology, accountants owe it to themselves to stay head of the technological curve.

"There are many manual tasks accountants do today that blockchain and other technologies will render obsolete," adds Doug. "But the smart accountants will leverage the technology to improve what they do and how they do it."

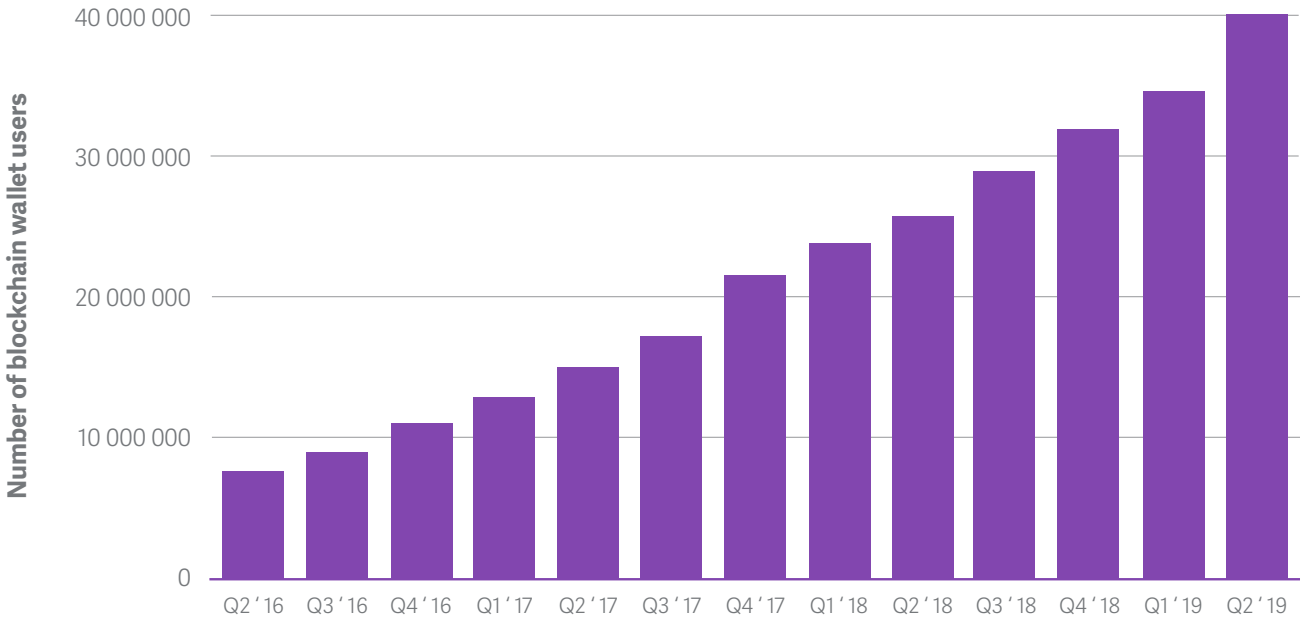
Most people tend to be unenthusiastic about blockchain, continues Doug. This might be because of the hype, or its perceived complexity. Some accountants might simply be burying their heads in the sand. But, he says, those who investigate the technology might be surprised.

"As you learn more, and study the economics, security, and global solutions it facilitates, it becomes quite compelling. Blockchain can improve so many tasks that are embedded in our monetary, government, and infrastructure systems."



Number of Blockchain wallet users worldwide from 2nd quarter 2016 to 2nd quarter 2019

Source: Deloitte, 2018



Cryptocurrencies

Blockchain's most notorious implementation, to the point of infamy, is in creating virtual currencies—money that literally doesn't exist outside of computer data. There were 40 million cryptocurrency users as of the second quarter of 2019, according to Blockchain, a rise of five million over the first quarter. The metric is relatively simple to count because the total numbers of digital wallets—by which cryptocurrencies are stored on a computing device—is easily accessible

Bitcoin or Ether are two popular examples of cryptocurrency use today, but there are thousands of others. Cryptocurrencies invented blockchain and were the first real world implementation.

If Jane buys a coffee using Bitcoin, the central blockchain ledger is updated as showing a transfer of currency from Jane's digitally signed virtual wallet to the coffee shop. This transaction is linked to a previous one, which will prove it's authentic. The coffee shop can be sure Jane's Bitcoin is real because her purchase of it was linked in the blockchain.

Notably missing from that transaction is any kind of bank. And cryptocurrencies are typically generated by users by undertaking some computationally difficult task on their computer, so there's no government or any other kind of body involved to issue them in the first place. They are 100% unregulated and decentralized.

However, cryptocurrencies aren't used for many real-world purchases. For most people they're investments, bought and sold on cryptocurrency exchanges in exchange for real fiat currencies like the US Dollar, or in exchange for other cryptocurrencies. Often the investment has a goal of a quick and massive return thanks to a wildly fluctuating exchange rate.

Smart contracts

Just like any contract, smart contracts aim to bind two parties by a series of agreements and actions that bring about an agreed outcome. However, a smart contract is a computer program run on top of any number of blockchains, both using data from them and writing new data to them on execution of the contract. The smart contract itself is typically written into a blockchain.

Let's say Jane wants to take out a loan to buy a new factory building. She wants the bank to finance 50% of the cost, for which she'll use her existing building as security. She will provide the remaining 50% of the cost herself.

Let's imagine the ownership of the properties is recorded in a blockchain, and that the building is being purchased with a cryptocurrency.

All the conditions would be built into the smart contract and, once they've been met, the loan money will automatically be released. There's no need for pages of legalese as with a standard contract. The conditions are either met, or they aren't.

Artificial intelligence

Artificial Intelligence (AI) isn't new technology. Research has been ongoing since the 1950s, but recent innovations have begun to push a more useful kind of AI into the mainstream business world.

Automation is already widely used in business, where machines powered by software follow preprogrammed rules to perform repetitive tasks, such as those that robots might do in an assembly line. This can increase productivity and efficiency, but also offers benefits such as lower cost, superior quality and lower downtimes.

With the newer kinds of AI technologies, however, the impact has been described by McKinsey as 'automation on steroids', meaning the set of things we can automate with computers has got that much bigger – think scaling complex technical tasks to mass production levels. But though the terms 'automation' and 'AI' are often used interchangeably, it's important to understand they mean different things. AI is always an order of magnitude more sophisticated.

Reasons for machine learning adoption worldwide

451 Research, 2018

Category	%
Business analytics	33%
Security	25%
Sales and marketing	16%
Customer services	10%
Other	16%

Machine learning
The most widely implemented form of AI right now is machine learning (ML). This attempts to predict an accurate outcome based on what's gone before.

At a simple level, computers have always been very good at learning. For example, the Microsoft Outlook email client might realize that you email Jane Smith regularly, so that when you start a new email and start typing JANE, it knows to auto-complete Jane Smith's email address, rather than any one of the 100 other Janes working in your organization.

Outlook reaches this conclusion by simple statistical analysis.

However, ML adds in training with massive amounts of real-world data by which, as you might've guessed, it aims to truly learn rather than base an outcome purely on statistical likelihood. As such ML starts to approach human-like levels of understanding, and can therefore begin to augment human tasks, or even remove the need for humans entirely most of the time.

In the same example above, this time the ML-equipped email client might autocomplete Jane's email address based on many different data points that are suggested by its learning across your organization. It might know that people with your job title frequently email her. It might've examined your entire email history and worked-out that your interests align with Jane's job title.

Any business process in which significant amounts of data is found—something often referred to as big data—then it's likely you'll find ML making use of it.

Smart assistants
Being able to chat to a computer is one of the oldest sci-fi tropes, of course, yet it's slowly becoming a reality with personal assistant technologies like Google Assistant, Apple's Siri, or Amazon's Alexa.

If this approach is applied to accounting then business owners could be provided with a way to check their financial position using everyday language, without even the need to understand what a double-entry ledger is.

Sage's Pegg is the world's first accounting focused digital assistant. Users simply add Pegg as a contact within their Skype or Facebook instant messaging applications, and then message it whenever they issue an invoice or expenses claim, or want simply to know how much money they have. Pegg responds appropriately, asking for further details or supplying the information.

Elsewhere, accountants have been experimenting with implementing chatbots – a simpler form of smart assistant – on their websites in order to answer basic customer or new client queries ("Do you undertake tax work?").

It's not hard to see a day when accounting smart assistants become inexpensive, turnkey solutions for all firms who can deploy them as a first line for even more sophisticated client queries—before a human might be required to take over.

Forecasted size of chatbot market worldwide

2016: **$190.8 million**
2025: **$1.25 billion**

Source: Grand View Research, 2017

The Cloud

There can be few accountants today who haven't heard of the cloud. Sage's own research shows that, as of 2018, over 50% of accountants worldwide had adopted cloud accounting, while 67% felt cloud technology made their role easier.

But the story of the cloud continues to be written and it continues to cement its reputation as one of the most disruptive and innovative technologies of our modern times.

For an accountant, the cloud offers a laundry list of benefits, but perhaps key (and most often cited) are the following:

- Greater collaboration
- Easier access to data
- Much greater compatibility with mobile technology
- Gaining a deeper understanding of clients

The cloud allows a real-time view of financial performance. This creates unparalleled opportunities for accountants to advise clients proactively, and even develop more advisory-based services built on up-to-date accounting data.

Using the cloud makes it much easier for you and your clients to set positive and achievable goals for their businesses, putting you at the heart of their success. With the cloud you really can create a future-proof practice of now.

Mobile platforms

The cloud might seem at first glance to be little more than the concept behind the internet taken to its logical end point. What if your data didn't exist just on one computer, but was available via the internet wherever you were?

However, most people neglect to consider the impact of mobile technology in the success of the cloud. After all, it's mobile technology like smartphones and tablets that benefit most from the cloud—and that have therefore driven its adoption.

Accessing email on the train to work, signing-off that document while sitting in a coffee shop, issuing an invoice to a client or customer while still onsite—the cloud has moved business practices outside the four walls of the traditional office. It's made telecommuting not just an occasional possibility but a regular way of working for millions of people worldwide.

It's also made sharing data much easier, which is perhaps one of the key uses for accountants—by connecting their own cloud solution into that of their clients, they can see the live data. This offers massive potential to move beyond the core tasks of compliance, and to move into more of an advisory role, where the expertise and experience of the accountant can be shared. An accountant might step in simply to advise client to renegotiate terms on punitive financing, for example. They might stop a cash flow problem looming at the end of the month for a client.

The future is the cloud

"The cloud is the fundamental building block for future technology."

So says Jo Peterson, VP of Cloud Services for Clarify360. She's worked with countless companies to implement their cloud journey.

We're now into the second decade of cloud technology, she adds, and while the mainstream adoption within accounting practices is very exciting, the truth is that we haven't seen anything yet.

"In the next wave of cloud technologies, we're starting to see the use of intelligent technologies, like AI, in conjunction with the cloud and Internet of Things (IoT)," she says. "Technologies like AI that sit on a cloud foundation will allow for the content associated with large data sets to create business meaning and ultimately value."

Ultimately, this is the fate of any maturing technology like the cloud, and the Internet before it. Initially, any technology is initially accepted for the benefits it brings, but as time passes it becomes a platform on which greater technologies are built.

In this way the cloud has fundamentally changed the way the technology industry works, adds Jo: "It has changed the way many technology companies deliver their products and services."

Conclusion:
Preparing for the next decade

By 2030 the world of accounting is going to look radically different. Quantitative data supports this outlook, as does qualitative feedback from within the profession.

The risk of irrelevance in a changing marketplace is too much for accounting firms to ignore. Cultural change needs to occur from within firms in order to accept the realities of changing client demographics, improved recruitment and training policies, and revolutionary technologies like blockchain.

In this report we've seen how it's clear from Sage's research that Millennial entrepreneurs have a huge role in the startup economy and are transforming the way we all work. Millennial entrepreneurs are in many ways a promising market that accounting professionals can cultivate not just in the future, but in the now.

Millennials will also be the foundation for a firm's staffing in the coming decade. As Sage's Practice of Now 2019 research shows, training and diversity are going to be key in growing a practice. Clients expect it. Accountants need to embrace new philosophies when it comes to the kind of people they recruit, and the kinds of training by which they empower existing staff. The addition of soft skills alongside hard skills is key.

And as if all this weren't enough, technology is going to radically alter working practices. The question of where blockchain is most likely to be implemented in accounting is answered by asking where it is most likely to introduce efficiencies, and therefore save on costs. And as we've shown, nowadays moving to the cloud is simply the first basic step to align a practice with forthcoming technologies—including blockchain. That clients expect a cloud-enabled practice, or that the benefits of cloud accounting are simply massive, are almost afterthoughts in our modern technologically-driven world.

If nothing else this report will hopefully have provided useful signposting for an accounting practice as it enters the third decade of the 21st century. The outlook for accountants is positive, and their appetite to adapt and evolve is high. However, it's also clear that to be successful in the years to come, accountants need to embrace change.

Learn more about Sage's solutions for accountants:
sage.com/en-us/accountants

271 17th Street NW
Suite 1100
Atlanta, GA 30363

www.sage.com