



# The passionate practitioner: Developing the digitalised small and medium practice

**Digitalisation represents the greatest opportunity accountants have had to transform their businesses since the invention of the spread-sheet. Such innovations aren't only transforming ways of work, but they are also changing the role of the accountant itself. Practices that fail to adapt to those new ways of working run the risk of being left behind.**

Accountants played a vital role in the earlier development and adoption of business information technology: finance was one of the first functions to be automated. They became the natural business partners and consultants within large enterprises as they computerised and re-engineered all their business processes.

Fast forward to the present and there is a sense that small business accountants may be lagging behind, with many still working in a desktop or even paper-based environment, in an increasingly cloud-based, digital world.

But the tools now exist for accountants to take that digital turn in their practices and transform the way they work with clients. Those working with the Small and Medium Enterprise sector now have an unprecedented opportunity to act as true business advisers.

## **THE BENEFITS OF DIGITALISING THE PRACTICE**

Digitalisation changes the structure and purpose of the practice itself. It impacts aspects such as the revenue base whereby digital practices move away from a time based model to a value based model, built on enduring relationships with their clients.

The client base can also be differentiated in different ways. No longer are practices geographically bound but rather the range of applications available enables them to specialise by industry segment without boundaries. The service portfolio expands and hence the range of skills that the accountancy firm needs beyond technical competencies.

Moving to digital will restate one of the fundamentals of the accountant – the client relationship. The message from practices that contributed to the research is that they enjoy this work. They have a passion for their business and their clients' businesses. And for many small business leaders, of all the professionals that they work with in connection with their business, the accountant is the one they trust, the one who 'has got their back'.

## **THE IMPLEMENTATION PLAN**

The implementation can be split into three phases. Each of these has components of people, process and technology. It is important to balance each of three elements throughout.

In developing the **strategy and plan**, it is important to identify the market segment on which the practice will focus. The accountant needs to develop a roadmap to accommodate the range of software applications that will be supported; accepting that supporting all is not a feasible option. This defines the 'app stack' that is at the heart of the digitalised practice. In 2019 the potential range of options is greater than ever before.

**Capability development** focuses on the transition to the digital practice, or the creation of a new one. A key component of this phase is the emphasis on resources and skills.

Once established, the successful practice needs to take advantage of the changing software environment; to **maintain** its advantages **and grow**, seeing new opportunities as its clients develop with it.

The incorporation of these technologies therefore represents a strong opportunity for the growth of small and medium-sized practices.