

Bringing the Cloud Down to Earth

By Gail Perry, CPA, Editor-in-Chief

For people who are still on the fence about whether or not cloud-based technology can provide the best solutions for you, we asked some highly regarded technology providers for advice.

“When choosing a cloud solution that is right for your firm, staff and clients look for a solution that provides an open platform and is built to scale,” explained Jim McGinnis, vice president, accountant segment at Intuit. “This allows you to create customizable solutions with third-party apps to meet the unique needs of each of your small business clients, regardless of size, and across multiple geographies.

“A cloud solution also has to allow for accountants and small businesses to collaborate with one another, sharing content and documents, and allowing access anytime, anywhere on any device. Finally, the best cloud solution integrates seamlessly with added services, such as payroll, payments, and tax. With an integrated, seamless solution, added services can be activated for individual clients with a simple click on a button. The flow of data across these services also provides you with greater efficiencies, eliminating the need to enter twice, if at all.”

Jennifer Warawa, global vice presi-

dent, product marketing-accountants for Sage, recommends first determining your goals. “What kind of firm do you want to run? Do you want to add more value to your clients, or simply automate business processes, or both? The size of businesses you want to support should also be taken into consideration. You cannot choose a solution until you know what you’re looking to get out of it.

“Once you know what type of solution you’re looking for, do your research and even try them out. Most vendors offer free trials for their solutions. Even if you like the first one you try, I recommend trying a few out, just to be sure you won’t be missing out on any key functionality offered elsewhere. Finally, talk to your clients. What are they looking for from you, their trusted advisor? Client demands are changing, and to stay relevant you want to make sure you’re meeting, or ideally exceeding expectations.”

Sharada Bhansali, executive vice president at AccountantsWorld, recom-

mends keeping the following tips in mind when choosing a cloud solution:

- Learn about all of the cloud solutions that are available for the services you offer.
- List all the challenges you currently face in your practice, and then identify the cloud solutions that not only overcome the largest number of those challenges, but also offer new capabilities that were not previously available.
- Explore solutions that increase firm productivity through automation. Fully integrated cloud solutions can streamline processes to never-before-possible levels.
- Before the cloud, accountants were limited to using DIY (Do-it-Yourself) solutions created for small businesses. But now, cloud accounting solutions created exclusively for accountants allow accountants to offer a full suite of services, including highly profitable payroll services, tailored to each business client’s needs.
- Finally, make sure the solutions you choose let you offer your clients the kind of advisory services that clients seek using real time data.

“Research shows that by 2020, nearly 80 percent of small businesses will be fully adapted to the cloud, up from 37 percent in 2014. It’s imperative that accounting professionals embrace the cloud and start using cloud solutions to ensure their long-term success,” said McGinnis.

It’s one thing to make a decision to switch to cloud-based software. But what about the nuts and bolts of making the switch? Are there ways to make implementation and training staff and clients quick and painless?

“We advise accounting professionals to dive right in - start the transition with one client at a time or better yet transition your own firm’s software,” said

McGinnis. “By focusing on migrating clients one at a time, you can start with the least complex files to gain confidence using a new product and get a successful migration or two under your belt. As you gain confidence, you will be able to tackle more complex client set-ups and get to know, use, love and recommend solutions that fit the unique needs of those clients. Through this experience, you have the opportunity to develop a playbook with processes and workflows to ensure a smooth and consistent transition for all your clients.”

Bhansali adds, “The most important thing to remember is to start preparing for the migration well in advance. Don’t wait until the last moment to plan, train staff, or notify clients. Starting early gives you the time you’ll need to make the right choices to make your migration easy and painless. If you wait until the end, you’ll go through all the migration pain without much gain.”

Once you’ve transitioned to a cloud-based platform, how do you know if you made the right decision and how do you ensure that you are getting the most out of your product choice?

According to Bhansali, the easiest way to measure success is to determine how the cloud solutions you’ve selected have accomplished the following:

- Increased your profitability
- Reduced your workload
- Increased client satisfaction and retention
- Improved the work environment in your firm

“Accounting is shifting from computation to consultation,” said McGinnis. Therefore, as you adopt a cloud solution, ask yourself how much time are you saving doing the computation work so that you can concentrate more on providing your clients with consultant services. ●

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JIM MCGINNIS, VICE PRESIDENT, ACCOUNTANT SEGMENT, INTUIT



Jim McGinnis
Vice President,
Accountant Segment

Jim McGinnis is the leader of Intuit's Accountant Segment, having led Intuit's accountant teams since he joined in 2010 as Vice President of Marketing. His extensive marketing, general management and global experience has been invaluable as the Accountant Segment continues to serve as a center of excellence for Intuit's worldwide efforts with accountants. Before joining Intuit, Jim was EVP and GM of Activision's \$400M Licensed Products Division, where he was responsible for videogames associated with blockbuster movies franchises such as Shrek, Transformers, James Bond and Spiderman.

Previously, Jim led marketing for PepsiCo's Tropicana business, where he was responsible for the company's \$3B juice and juice drink portfolio, including the acquisition of Naked Juice in 2009. Earlier in his time at PepsiCo, Jim led marketing for Smiths Snackfood in Australia. Before that, Jim introduced P&G's detergent portfolio into China and later into Argentina as they expanded globally in the 90's.

Jim received his B.A. from Duke University and his MBA from the Kellogg Graduate School of Management. He is a member of the Economic Club of Chicago, the Chicago Yacht Club, and leads the Duke Alumni Association in Dallas, TX. Jim is married and has two young sons, James and Charlie.

2015 Cloud Special Report

Q&A with Jim McGinnis, Vice President,
Accountant Segment, Intuit

Q. *Why is moving to the cloud important?*

A. The cloud isn't a fad. It's not going away. Accountants must adapt to ensure their firm's future success or they risk losing the opportunity to own a long-term, viable business.

By 2020, nearly 80 percent of small businesses will be fully adapted to the cloud, up from 37 percent in 2014. We are seeing this shift within Intuit as well. QuickBooks Online subscribers grew 57 percent in our fiscal year that ended in July 31, 2015, reaching 1.075 million QuickBooks Online subscribers. That totals well over 2M individual users.

Q. *Is the cloud safe?*

A. For years I have heard accounting professionals say they don't want to move to the cloud because they think it isn't as safe as storing files on a computer's hard drive. Locally stored files are not any less prone to getting corrupted, being stolen, breached or destroyed.

Another common concern I hear is the cost to transition to the cloud. The beauty of cloud technology is that it disrupts the old way of buying IT, which involved large capital investments. Cloud computing is inherently elastic, scalable and pay-as-you-go, so the financial risk of moving into the cloud is now so small that it becomes incredibly attractive, compared to the risks of buying IT infrastructure that quickly becomes outdated.

Q. *Why do accounting firms need to evolve and become Firms of the Future?*

A. First and foremost, accounting is shifting from computation to consultation. A recent study by Wasp Barcode found that nearly half of small businesses don't think their accountants are proactive enough with advice on how to better manage their business. The era of social, the cloud, mobile devices and the power of data is significantly disrupting the accounting industry because these trends offer accounting professionals the opportunity to present more strategic advice to their clients.

Q. *What makes an accounting firm a Firm of the Future?*

A. The Firm of the Future understands that the future is online and leverages the cloud to promote greater efficiencies, collaboration, time-savings and lower costs. This in turn helps firms meet client expectations and stay relevant. The Firm of the Future is also a trusted advisor, fluent enough in big data and key

performance indicators to not only diagnose financials but predict them. Finally, social media is changing clients' expectations: they now want always-on access and customer service. Social media and the Web provide an immense opportunity for business growth because a firm's online profile and presence can be found by any small business around the world.

Q. *Does the solo practitioner need to transition their small firm into a Firm of the Future?*

A. Yes. Becoming a Firm of the Future is relevant to firms of all sizes. In fact, we (Intuit) have a website, FirmoftheFuture.com, designed to help accounting professionals adapt and adopt to the trends impacting the industry. FirmoftheFuture.com has content, actionable step-by-step guides and resource links developed by Intuit, key industry leaders and practitioners to support and help all accounting professionals navigate the current trends to work more efficiently, better collaborate, connect with their small business clients and achieve long-term success.

Q. *If the cloud is the future, is desktop going away?*

A. Absolutely not. QuickBooks desktop products are not going away. Intuit understands and recognizes we have millions of customers using QuickBooks desktop. We will continue to support those customers and invest in the further development of our desktop products.

In fact, we added several new, exciting features in QuickBooks 2016, such as the ability to Batch Delete transactions and One Click Upgrade, helping accounting professionals save time and be more efficient when working with their client's company data.

But to ensure your long-term success, accounting professionals should look beyond desktop. There are more than 1 million businesses out there using QuickBooks Online and more than 4,000 new users are signing up for QuickBooks Online every 10 days.

Q. *Can you share again the steps accounting professionals need to take to transition their firms into Firms of the Future?*

A. *Step 1: Get on the Cloud.* Sign up for QuickBooks Online Accountant (QBOA) and add yourself or one client to QuickBooks Online. A vital resource are the more than 200 apps that integrate with QuickBooks

Online - try or recommend an app for you or your client.

Step 2: Become a Trusted Advisor. Being viewed as a trusted advisor rather than as an accountant or bookkeeper alone can help insulate your firm from competition based solely on price. It can also uncover opportunities to provide advisory services that generate additional revenue for your firm.

Step 3: Get Connected. Gone are the days of storefront signs. The Web is a firm's new lobby. Prospective clients want to work with a firm that works the way they do: leveraging cloud technologies and using the Web to drive customer and overall business growth.

Q. *Should accounting firms consider changing their billing model?*

A. Online technologies have provided the perfect opportunity for accounting professionals to change their billing model. In the past, accountants spent time going from one client appointment to the next. Desktop-based products didn't integrate with one another so accountants had to enter data multiple times. Billing hourly made sense. However, when using cloud technologies, hourly billing actually penalizes accountants because they're no longer driving from client to client. They're instead meeting online through Web conferencing. Accountants also no longer key in the same data across disparate systems. Cloud products integrate and speak with one another so data is entered automatically. Value billing better aligns with the shift from compliance work to the freedom to focus on consultancy so accountants can be trusted advisors.

Q. *What advice can you provide accounting professionals looking to give the cloud a try?*

A. They should transition their firm's books to QuickBooks Online, migrating clients one at a time - starting with the least complex files to gain confidence using the product. As accounting professionals gain confidence, they'll be able to tackle more complex client set-ups and get to know, use, love and recommend third party apps that fit the unique needs of those clients. Through this experience, they have the opportunity to develop a playbook with processes and workflows to ensure a smooth and consistent transition for all clients.

Like all technology advancements, the cloud will continue to evolve and change for the better. But it's moving quickly, so accounting firms need to begin to incorporate cloud solutions in their practices and firms to gain efficiencies and better serve their clients.

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