

Exploring the evolution of the accountant

 By [Colin Timmis](#),

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For a long time, accountants were considered bean-counters, which is essential, but they've become much more than just number-crunchers. They're essential business partners and will be vital in guiding small businesses through the challenges ahead.



Colin Timmis, general country manager, Xero

Our State of Accounting Research found that 97% of accountants believe that they can support economic growth. And our State of Small Business research found that 28% of businesses wanted their accountants to act as a full-on business consultant. This is an increase from the previous year, when it was just 11%.

Technology has been one of the key factors enabling this shift, allowing accountants to step away from manual and repetitive tasks. Our research found that 87% of accounting firms use at least some cloud technology, and many others have turned to automation.

"Cloud technology has given our clients and us an advantage during the sudden forced remote working around the world. Already having real-time access from anywhere to your finances has made recently forced adjustments easier. In 2020 we found ourselves helping more new businesses migrate to the cloud than before. Being in the cloud as a business is no longer optional," says Montaque Swanepoel, the founder and CEO of CFO360.

While this model has proved successful for early adopters like CFO360, many businesses are still struggling. According to our research two-thirds of accounting firms struggle to hire talent with the right technology skills for future growth. Here is how we can – and must – support accountants so they can guide small businesses.

Cultivating the right skillset

Our research found that 35% of accountants reported that their firm seeks candidates with cloud skills, and this number is bound to have increased due to Covid and remote working. Cloud competence is no longer a new skill, and businesses will increasingly be seeking out advisors with these skills.

To support this shift, the industry needs a strong pipeline of technologically skilled accountants. It's encouraging to see education providers stepping up to ensure that graduates are equipped with up to date skills.

Cultivating the right skills in the next generation of accountants, as well as among current advisors, is critical. We can't rely entirely on the next generation – firms need to be upskilling teams to close this gap now. It's positive, therefore, to see that 76% of firms have invested in training staff in new skills over the last year.

Preparing the accountants of today

The evolution of accounting is already well underway. Our pre-Covid research found that 54% of firms believed they would manage both finances and business advice in the near future. And 38% even reported that offering advice on growth would be their accountants' primary responsibility, while just 8% thought they would remain focused entirely on the numbers.

As Montague puts it: "We have realised as accountants, our roles have started to shift in the last couple of years. Although the need for tax compliance, bookkeeping, and accounting is still necessary and always will be, for the small business owner, the need for strong business partners and business advisory has grown. With the right technology and the right advice, many business owners have capitalised on growth opportunities or adjusted to weather the storm. With some industries thriving and others struggling, the business advisory role, supported by the right technology, has never been more important."

There are plenty of resources out there to help enable this shift, as well as technology partners and constant efforts by software-makers to make their offerings easier to use and more powerful. For instance, current accounting apps already tie into bank feeds, automating financial data capture. So simply updating to the latest apps will already save accountants' time.

Getting through the challenges ahead

Accountants have already played a massive role in supporting their small business clients as they've had to adapt to survive. They are the unsung heroes of our ongoing recovery. But the industry will need the right support to weather this storm. The technology community and accounting bodies must work together to create the right support network for accountants and small businesses alike.

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