2018 NJCPA Convention & Expo Recap

Envisioning the Future of Accounting at NJCPA 2018 Annual Convention & Expo

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Accountants by nature are budget-minded individuals but they are not always the most forward-looking. Attendees at the New Jersey Society of CPAs 2018 Annual Convention & Expo stepped out of their comfort zone to reflect on what the future of accounting holds for themselves and the industry — automation, artificial intelligence and all.

No one knows exactly what the future will bring, but Convention keynote speaker Mike Walsh, CEO of Tomorrow, an innovation consultancy, reminded attendees to not be shocked by the future, but to accept and plan for it. “Algorithms are already shaping and transforming our lives,” admits Walsh.

Accounting professionals, he says, should not ask themselves why artificial intelligence will be important to their profession, but “what kind of leaders are we going to need? What kind of professionals are we going to need to become in this age of machine intelligence?”

Keynote speaker Allan Koltin, CPA, CGMA, Koltin Consulting Group, agreed that accounting professionals need to think about their own careers as they embrace the future. “We’re so busy being busy, we don’t think about our own professional careers,” he told the audience. “The whole universe of human capital has turned upside down,” he said, noting that the accounting industry continues to go through changes.

So what can accountants do to prepare for their own future? On an individual level, “you need to make yourself irreplaceable,” Koltin recommends, which will help not only today but in future positions as well. On a daily project basis, accounting professionals, he noted, should review the routine tasks that they perform so they can free up time to do the higher-valued tasks.

Planning for Your Clients’ Futures

When planning for your clients’ futures, accountants remain in high demand due to their role as trusted advisor. According to Koltin, helping to lead clients according to their personal choices is “great customer service.” And knowing a client so well that that he or she can make the right recommendations for a client post retirement is key.

But using the word “retirement” in discussions with clients nearing the end of their work cycle is not always wise, notes Convention speaker Lise Stewart, a director within the Private Business Services Practice at EisnerAmper. As Stewart puts it, “people don’t like the word retirement.” The biggest mistake, she adds, is to force business owners out of the business instead of figuring out what’s important to them.

When it is time to transition ownership of a family business, for example, to another member, accounting professionals are in demand. Why is that the case? Quite simply, "business owners struggle with change." Accountants need to break the cycle that their clients have fallen into by not planning effectively for the future, adds Stewart.

But can a transitioning leader or business owner "add value and maintain their dignity" while still working cohesively at an organization? In short, yes. Accounting professionals should be able to find the right guidance for their clients who may be considering the end of a career. Perhaps working part time is the answer or creating a new unrelated business venture would help the owner transition to a downsized role. As Stewart notes, more than 50 percent of businesses will transition ownership or leadership within the next five years. And a surprising number of persons over age 50 have started new ventures.

Even at the early stages of a business, accountants are needed. This is particularly true of start-ups or organizations at the "entrepreneurial stage" of existence, Stewart says. "Most businesses live and die in the entrepreneurial stage of setting up a business," she says. "Almost 35 percent sell or liquidate after failing to realize their unintended value."

A way for accountants to get in sync with business owners regarding their future is to ask where they see the company's highest return on investment (ROI). This answer, she adds, can be quite different for a lot of employees. For example, it means one thing to a small business owner and perhaps another to his or her spouse. That should be established before any real planning for the future can take place, she says.

Kathy Parry, corporate energy expert and another keynote at the Convention, adds that business owners and their accountants need to be "resilient" in their approach to growing a business or their own practice. More professionals need to be like her father, originally a small business owner, who said, "I was always looking for the next step." As she explains, "we don't want to have to be rescued through our disruptions or transitions. We should have a few of those next steps in mind."

But as keynote speaker James Kane, author and expert on loyalty, explains, accounting professionals need to be aware that planning for their own future and helping clients do so will be easier if professionals remember what it takes to have loyal clients in the first place. According to Kane, "no one is loyal to a brand, they're loyal to you." He explains that transactional relationships, in which clients may like your services, but not love them, can actually be dangerous to the future growth of an organization.