



CASEWARE



# TAKE A HYBRID APPROACH TO YOUR CLOUD STRATEGY

HOW INTEGRATED SOLUTIONS CAN CREATE A SEAMLESS  
WORKFLOW FOR YOUR ACCOUNTING PRACTICE

A CaseWare eBook



# CONTENTS PAGE

- Introduction..... 3
- Embracing cloud software ..... 4
- Easy management of updates..... 5
- Handling client requests more efficiently..... 6
- Automation and real-time engagement..... 7
- Automation and compliance..... 8
- Data acquisition anytime..... 9
- Analytics in everything ..... 10
- Intuitive sampling and fraud testing..... 11
- Taking a hybrid approach ..... 12
- Conclusion ..... 13



## INTRODUCTION

The COVID-19 pandemic has had a significant impact, both in business and in our personal lives. However, with progress on the scientific front comes some hope that our lives will start to return to normality soon.

The adaptations all businesses have made as a result of the pandemic have shown that whatever the future holds, things will not go back to the way they once were. Clients' expectations of how they communicate with their accountants has changed forever.

COVID-19 and emerging cloud technology has resulted in a "perfect storm" situation, forcing the accounting industry to adopt great change very rapidly and firms are trying to find purchase in a digital-first world with shifting customer expectations.

While many firms are rolling with the proverbial punches, other more historied practices are having to overcome legacy issues and a 'fear of adopting the unknown'.

Yes, there is undoubtedly an air of caution when it comes to introducing new technology to enable this change - but Partners need to shake off the sentiment of "Why change a working system for a system that is unproven?"



## EMBRACING CLOUD SOFTWARE

There is a perception that with any software, there may be unnecessary disruption as updates are implemented and the maintenance of the software becomes a costly burden.

To manage this, smaller firms may choose to outsource their IT support, while larger enterprises will have their own IT manager to take care of it.

However, despite some technophobia, many Partners at accountancy firms are realizing the benefits of cloud-based systems and embracing them as a viable alternative to on-premise and hybrid accountancy solutions as this eliminates many of the issues of server and software maintenance.

Cloud technology has allowed accounting firms to eliminate outdated, manual, and paper-based processes, while enhancing controls, visibility, and the client experience. Yet, for some, it may not be as easy to migrate all of their processes to the cloud. That's why a hybrid approach may be the best solution for firms at this point in their journey to the cloud. By integrating desktop applications with those that are cloud-based, all aspects of a practice can be brought into one seamless workflow.

Undoubtedly, digital-first technology has changed the way accountancy firms liaise and manage relationships with their customers, allowing for easier and more efficient collaboration. For example, cloud-based software enables both accountants and client to be logged in and making changes in real time, watching near-instantaneous updates unfold.

This is where the advisory, value-add element to cloud-based systems really comes to the fore. By gaining a deeper understanding of a client's business and performing live (or near real-time) analysis of the data, accountants can produce accurate informational assets that clients will find valuable.

Not only do these value-adds help guide the client to financial stability, they also strengthen the business relationship for the long-term gain of both parties.

In this eBook we investigate how cloud-based accountancy solutions can benefit the Accountancy Practice, making operations easier and improving customer satisfaction. We will also highlight how, thanks to the hybrid approach, the pace with which a firm transitions to the cloud is entirely up to them.



## EASY MANAGEMENT OF UPDATES

Many firms, particularly those in the bookkeeping sector, have chosen to adopt cloud-based systems because they are simple to use, allow for easy collaboration between teams and can be scaled as the business grows.

Maintaining the status quo and sticking with accountancy software, which is unfit for purpose, means that soon enough, significant investment will be needed to keep that software running.

Smaller firms may not have an IT technician on the payroll, meaning that when a large platform update is released – or new solutions need adding – they'll have to outsource this to an external specialist to come on-site and install it.

Which can be very costly.

For small firms trying to gain a foothold in the industry, these accumulating expenses can build up and could be quite damaging in the long term.



## HANDLING CLIENT REQUESTS MORE EFFICIENTLY

Accountancy firms provide fundamental services such as tax returns, VAT returns, end-of-year accounts, audits and more. Profitability depends on how efficiently these engagements are produced and how many clients an accountant can manage at one time.

By accurately bulk processing the tasks involved with client engagements, cloud-based systems remove much of the associated manual labor of data input.

For example: when it comes to completing a tax return, certain client information is needed, i.e. has the client got married in the last year? Was there a change of address or employment? If a question is answered yes, then the client needs to supply the information in a timely manner for the work to proceed.

Unfortunately, and without fail, there will always be clients that fail to provide the necessary information. This means that time is invested in follow ups or requests for documents. This constant chasing for information diverts skills and attention from more important tasks.

These issues are then exacerbated by communication channels and systems — email, telephone, desktop spreadsheets — that simply cannot provide full visibility of the workflow.

Cloud-based systems not only improve the initial bulk request process, they also gather and collate the answers in a more intelligent and efficient way.



## AUTOMATION AND REAL-TIME ENGAGEMENT

Before automated cloud-based solutions, completing a simple task like tax returns would have involved a lot of administrative back and forth.

But with intelligent processing, the method is simplified to the point where all that is needed is an accountant to oversee matters. Cloud-based accounting software can ask a standard set of questions, featuring variable responses, and then intelligently react to the responses based on the answers, all while gathering evidence and automatically storing it in the correct place.

This method of automation is much more efficient; it removes bottlenecks from data processes; and deals with exceptions in an intelligent way.

### REAL-TIME ENGAGEMENT MANAGEMENT

This 'intelligent processing' allows accountants to focus on the exceptions, instead of having to chase down and follow up data entry, giving accountants an accurate picture of where clients are in the process and whether there are any compliance deadlines looming.

This is how accountancy firms can begin to change the customer relationship by freeing up time to have simpler and more efficient client and penalty management.

The good news for firms just beginning their journey to the cloud is that hybrid platforms exist today to maintain the familiarity of tried and true desktop software offerings while gradually bringing in these modern cloud features. Moving to the cloud, therefore, doesn't have to be an "all-or-nothing" situation.



## AUTOMATION AND COMPLIANCE

When looking to improve overall practice management there are huge time/efficiency savings to be made when dealing with a repeat customer in comparison to a new customer.

For instance, onboarding new clients can mean that internal system processes have to change, and relevant stakeholders are alerted. For example:

- **Has the marketing team been informed about the new acquisition?**
- **Is the client set up on the CRM?**
- **Have they been appointed with a manager?**

Cloud-based systems remove the hassle by simplifying the onboarding process through automation, ensuring that all relevant stakeholders are alerted to new customers, and important documentation is where it should be.

This improved efficiency carries over to year-end procedures, compliance, and overall practice quality.

Having cloud-based automation can help accounting firms impose and meet the high-quality accounting processes required by their relative institute or governing body.

Having a robust automated system also ensures that nothing falls through the cracks regarding irregularities or human error and can support accountancy firms to remain up to date with the latest changes to any regulatory compliance standards.





## DATA ACQUISITION ANYWHERE, ANYTIME

Many accountants will remember having to manually input data from a variety of different sources - and some continue to do so!

This is time-consuming, prone to error and relies on different software (or hardware) working as intended. On the other hand, cloud-based systems allow accountants to import data from anywhere, anytime.

And more recently, [anything](#).

APIs integrate disparate systems so they can 'talk to each other', which makes data simpler to import than on desktop applications. This means information from third parties such as banks and employers can be obtained much easier.

It's important to note, however, that API integration is still a growing discipline at this time, and no accountancy firm can honestly say that they're able to get data from anywhere. Yet...

### UNHINDERED DATA FLOW

Historically, and is still the case in some instances today, accounting is akin to gazing into a rear-view mirror, with discrepancies and issues only being discovered at year-end.

Whereas 'always-on' cloud-based accounting software can see critical data being fed into, for example, an audit engagement tool as the year progresses, allowing auditors to step in and remedy a situation whenever they need to.

This level of 'near real-time' insight will have been particularly important for business viability during the COVID-19 pandemic.



## ANALYTICS IN EVERYTHING

Using a cloud-based solution to communicate with an 'always on' banking system that feeds into a general ledger platform can channel critical information into real-time cashflow forecasting tools.

Providing accountants with this level of 'live' data moves them from a position of providing historical guidance to becoming a current business advisor. This is what business owners will be crying out for in periods of mass uncertainty like the current COVID-19 pandemic.

With this free flow of information and complete data visibility, accountants can accurately forecast future cashflows, which will be invaluable for businesses seeking financial assurance in these uncertain times.

Moreover, accountants can market this as a new and important service to their clients to advise and guide them through business survival. Offering:

- **Communication in real time.**
- **Resolving issues as soon as they arise.**
- **Forecasting cashflows with unprecedented accuracy.**
- **Providing actionable, data-driven financial and managerial advice that is genuinely valuable.**

Live information using the approach of 'always on' data flow, empowers accountants to proactively manage and support their clients, rather than react to past data.

The use of analytics isn't just relegated to accounts, however. These deep data sets can identify risks and offer managerial advice to clients. As this information can have a direct and positive effect on a client's business, accountancy firms gain a competitive advantage over counterparts, shifting into a valued advisory role that clients turn to for guidance.



## INTUITIVE SAMPLING AND FRAUD TESTING

Take the auditing process as an example. Incentives and year-end targets can be reason enough for individuals to inflate or push sales invoices through before they're signed - and when it comes to an audit, attempts have been made to try and predict or 'game' the system, for example, paying the same invoice twice or an inordinate amount of invoices ending in .00 or .99.

It's not such a simple matter with cloud-based systems, however.

Using the latest analytical tools these misnomers can be easily spotted. The risk assessment built into cloud-based systems can search for potential fraudulent activity. Auditors can run a truly random selection process with the click of a button - leaving more time to service a wider portfolio of clients.

Fundamentally though, accountancy practices are relationship-based businesses – open channels of communication and a willingness to go above-and-beyond have to be maintained and promoted. A tax return is a tax return and the net result should be the same, regardless of which accountant a client uses.

What sets accountancy practices apart from one another is the customer experience and the expert advice they're able to provide to help a client's business become more successful.



## TAKING A HYBRID APPROACH

As we have seen, the cloud offers countless benefits to accounting firms that are looking to modernize their practices. For many, however, technology shifts of any size or form can be intimidating. What kinds of changes are involved? Why shift when the old processes seem so familiar? When we're ready, where do we even start?

Fortunately, moving to the cloud doesn't have to be a head-first dive into the deep end. It can, instead, be a gradual wading in from the steps of the shallow side. This is possible due to the existence of a so-called hybrid approach, which lets practices retain the familiar while bringing in the advanced.

Integrating a desktop solution with cloud offerings expands their functionality to include cloud-specific features and apps. Such an integrated environment allows you to easily store and manage your engagement files, improve collaboration between staff and clients, and track the progress of your engagement from the desktop by utilizing cloud functionality. This is the ideal way to help your organization with the eventual transition to a purely cloud-based solution.



## CONCLUSION

For many industry stalwarts in the accountancy sector, the cloud is still a concept that they are getting to grips with. While caution is understandable, there can be no doubt that the industry is moving skyward. The benefits of automated processes are just too persuasive to ignore. Clients now expect more modern ways of communicating and more regular contact, even if this is virtual.

On the other side of the coin, we must be careful not to see the cloud as a magical panacea that will solve all of the industry's problems. The technology is still young and developing; as such, there are bound to be challenges as the accounting industry shifts away from old processes in favor of digital-first technology like the cloud.

All that said, there is every reason to be excited about what the future holds.

Integrated cloud suites are changing the way firms conduct engagements and manage clients. A beneficial byproduct of integrating these systems is the ability to provide actionable advice to clients to help them manage their financial affairs more effectively. Essentially, the cloud can be an all-in-one solution that empowers accountants with insight.

The [CaseWare Essentials](#) suite represents the integration of CaseWare Cloud products with CaseWare Working Papers. It helps accounting firms improve collaboration, engagement management, engagement tracking and much more. [Contact us today](#) to learn how CaseWare Essentials can help you build your best practice at a pace that suits your individual situation.



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