

Accounting Trends – An Overview



ACCOUNTING TRENDS – AN OVERVIEW



The technology upheavals that we are observing on a day-to-day basis are creating new trends in every sphere of our lives, including businesses. In the accounting segment, technology has increasingly been amalgamated to increase overall operational efficiency. The new generation of accounting professionals must embrace technology and adapt to the accounting trends that are disrupting the long-held best practices.

The [accounting trends](#) that will dominate in 2019 would help accounting and taxation firms to reach new levels of success, thereby enabling them to operate in a much faster, smarter way. These accounting trends are discussed hereinbelow, and by adopting these trends, accounting firms, as well as accountants, can turn to the prospect of human-less accounting.

The Power of Cloud

The emergence of cloud computing is a revolution in itself, with accounting firms using the power of cloud computing for all of their accounting needs. More and more accounting firms are choosing to use software and services that are stored on a vast network of remote servers instead of on personal computers.

The majority of leading cloud solutions firms are offering enhanced security, quality control, and data recovery options in the form of software-as-a-service (SaaS) applications enabling the accountants or accounting firms to access financial data from any Internet-enabled devices. In addition, the cost savings are often unparalleled with numerous benefits that accounting firms are deriving in the form of:

- Disaster recovery
- Improved security
- Remote work options
- Quality control

The cloud-based solutions are not only appealing to large corporate firms, but the rate of adoption by small and medium-sized accounting firms or organizations is going to increase in 2019 and beyond due to the affordability of cloud-based services.

Automation Acceleration

The new developments in machine learning and artificial intelligence is already influencing the world of accounting (for instance – Quick Books, Xero’s machine learning projects) by forcing the accountants as well as the bookkeepers in automating the tasks such as data entry, document collection, and other related areas.

However, it doesn’t mean that Artificial Intelligence and Machine Learning will result in [human resources](#) becoming obsolete, but it will allow accountants to have better access to real-time information from different sources. Automation would give the accountants access to better data, and they would be able to apply this information to the real world for providing crucial business insights.

Leveraging Business Intelligence Tools

The accounting trends that will dominate in 2019 on a broader scale would be business intelligence tools resulting in the ease of real-time data analysis with tools like Spotlight Reporting, Fathom, Futrli, etc. These tools would help accountants save time and pay more attention to understand the logical accounting conclusions better.

Switching to a Fixed Pricing or to Value-Based Pricing Model

With automation becoming commonplace, the concept of hourly billing will be a thing of the past, and most business firms would switch to a fixed pricing model that would benefit accountants and clients as it would emphasize the value of services being provided by firms. A fixed pricing model would be more conducive when providing advisory services.

Millennial Client Experience Would Be a Key Differentiator

The coming decade is the decade of the millennials, as business owners and accountants will have to move beyond traditional accounting methods and approaches. Accountants

will have to deal with a purely new roster of clients who prefer more transparency, activeness, and a personalized approach.

These clients not only demand proper guidance but also expect accounting firms to be paperless and technology savvy that is possible with the cloud switch.

Blockchain Technology

Another accounting trend that is expected to revolutionize accounting practices is blockchain technology, which is a single ledger technology that lets users from several sources access the same information in real-time.

When a business's risk profile is tied or hashed to the blockchain, the business and its potential lenders or investors can access its profile simultaneously. Blockchain technology enables auditing and reconciliation to take place at a much faster pace and with more accuracy.

The Acceptance of Do It Yourself (DIY) Software

One of the accounting trends that will dominate in 2019 is the acceptance of DIY software by the accounting fraternity, such as chatbots, hosted QuickBooks software, and other self-employed applications.

With technologies providing do it yourself solutions, accounting and tax software firms would launch various applications and solutions in the form of QuickBooks Assistance in 2019 and would enhance the client interface, especially for small and medium-sized enterprises.

Artificial Intelligence

One of the most important factors that will play a very crucial role in building **accounting trends** is artificial intelligence. Artificial intelligence is similar to other online platforms and is well known for its capability to reduce the time people spend on boring accounting tasks.

Another major reason for implementing artificial intelligence into accounting tasks is because it provides the accountants with a lot more strategic depth and helps them make the right decisions. In addition to that, artificial intelligence also allows accountants to provide better advice and information to their clients.

Trends in accounting show that businesses in 2019 will slowly shift towards revenue-generating activities, and that will, in turn, speed up the process of decision-making procedures. In the case of AI bots, the automation of procedures will help accountants have more time in hand to invest in business management roles.

Accounting Trends Every Business Should Follow

Outsourcing accounting services

For any business to flourish and grow, **outsourcing accounting service** can be of great help and allow companies to focus better on the core business management and utilize the existing resources better. It is also advisable to outsource all the accounting functions to a third-party provider.

Outsourced accounting services in India provide end-to-end support and also include a customized accounting software. Outsourcing allows companies to access experienced and qualified accountants and will also ensure that the quality of work is consistent and top-notch.

The integration of social media

Social media is the best platform for any business, whether big or small, to expand its horizons and have conversations with its colleagues and peers up close and personal. Accounting professionals can make sure that they are updated with the latest trends and accounting developments that will impact their work.

Social media helps to account professionals to communicate better with clients as well and discuss their queries and issues with better clarity.

Proactive Accounting

Back in the day, accounting was mostly restricted to recording and accounting for past transactions. However, this dynamic is changing now. The advent of more evolved business models and regulations has led to accounting functions taking up a more proactive role.

The role of accounting has become more prominent in making business decisions. With the recent trends, the accounting function has a more vital role in understanding the implications of any important business initiative, especially tax impact.

Collaborative accounting

Accounting is not getting advanced only in terms of automation and software. Collaborative accounting is slowly and steadily making its way into the business world. A new aspect of collaborative accounting is trying to incorporate trending technology and the internet to work hand in hand irrespective of real-time location.

A certified public accountant can see the transactions of their clients and make necessary changes using cloud software and also relay that particular information by making use of instant chat platforms such as HipChat and Slack.

This is the future of accounting, and it isn't always necessary that it has to occur between public accountants and clients; it is applicable to various different services.

App Integration

In today's day and age, smart devices have become very powerful and fast, and their usage rate has escalated quite a bit. People get their work done on the go, and it makes the whole process a lot hassle-free. Everybody has information at their fingertips, and accessing information online has become a lot easier.

Accounting outsourcing companies in India have realized the revolution that smartphones have created, and hence they have come up with mobile-optimized applications for accounting services.

App integration will provide a major benefit to medium and small-sized businesses and help them manage their bookkeeping without any delay.

In a similar way, it will also prove beneficial for big sized businesses because they can maintain invoices, cash flow statements, and expenses from smartphones in their pockets. This will prove to be a great shift and add great mobility in cloud accounting.

Every day, in the market, a new workflow solution is being added, and this has led to more availability of accounting apps and bookkeeping apps. Having the right kind of apps at hand can impact a business miraculously.

The tech stack of a company is what helps it grow the client fees and make stronger relationships with clients. This app integration trend is turning out to be a boon for companies, and they have to carefully select the right apps that will benefit the clients and easily integrate with their current systems.

Objectivity and Transparency

Objectivity and Transparency are the two main pillars of accounting, and there has been a lot more emphasis on these two factors off late. Accounting governing bodies such as the certified public accountant boards have taken up this matter very seriously and paid great attention to it. In the recent past, there have been several accounting scandals and irregularities, which have made it all the more important to restore the trust and credibility of the profession.

The business environment is ever-changing and ever-evolving. Keeping a close tab on the developing accounting trends and taking note of them is crucial for enhanced business decisions. The accounting industry is a very promising sector and provides a great future to anybody interested in enrolling. Automation and artificial intelligence have revolutionized the accounting industry and reduced the manual workload to a huge extent.

Cloud accounting software has helped step up the workflow and improved customer satisfaction. Blockchain is budding equally well and will very soon develop into the most sophisticated technology. App integration has equally helped in empowering the accounting firms and make use of novel strategies to attract more business and make better progress in work. However, no matter how advanced the technological developments are, certain human roles and human efforts cannot be substituted, and they are equally crucial.

Another significant development that will define accounting function in the near future is more acceptance of remote work in the field. It already plays a big role in the other sectors of a business and will very soon make a huge mark in accounting. Modern accounting is all about implementing accounting software programs and technology to track finances systematically. With time accounting has seen a significant number of changes, and businesses have to be mindful of these developing trends to sustain and survive in the future.