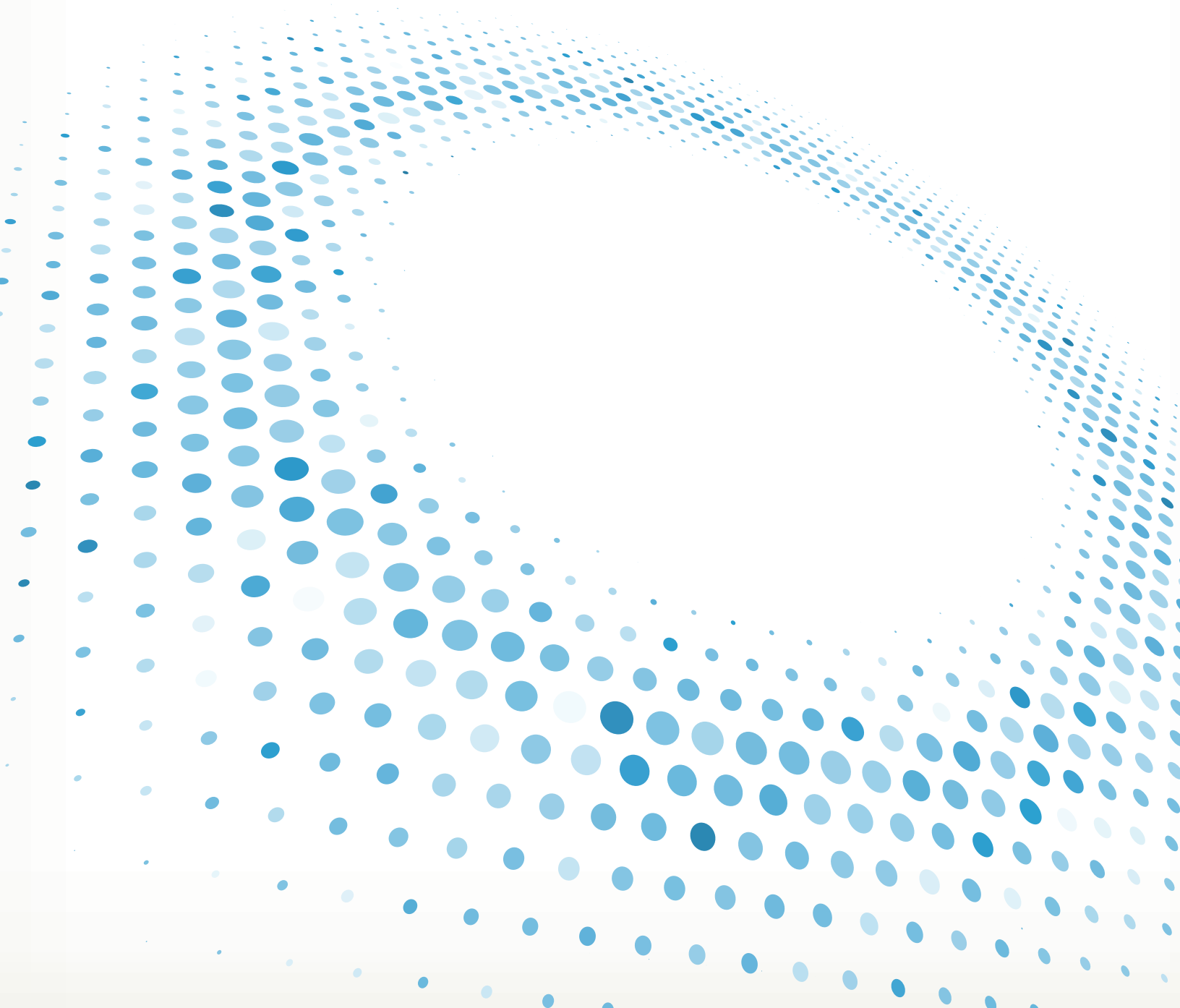




Executive Summary of the

2024 CPA Firm Tech Report





Introduction

The 2024 CPA Firm Tech Report serves as an essential guide for CPA and professional service firms, outlining the significant role technology plays in driving growth and operational efficiency. This report consolidates expert insights on technology adoption, addressing key challenges firms face and offering strategic solutions to enhance digital maturity.

Key Insights

Technology as a Growth Driver

Technology is pivotal for CPA firms, enhancing efficiency, quality, risk management, and client retention. Despite its benefits, only 9% of accountants feel they fully utilize their technology investments. The report identifies the real challenge as technology adoption rather than selection and implementation.

Unique Paths for Different Firms

Each firm's journey toward technology adoption is unique, influenced by factors such as budget, resources, goals, and scalability. The report leverages the expertise of accounting technology specialists to provide tailored guidance for firms of all sizes.

Challenges and Solutions

Challenge 1: Starting Point and Next Steps

Firms unsure of where to begin their digital transformation should develop a comprehensive strategic plan. Key steps include:

- **Assessing Business Needs:** Identify operational challenges and goals.
- **Defining Long-term Goals:** Envision the firm's ideal future state.
- **Process Mapping:** Understand current processes before selecting technology.
- **Tool Evaluation:** Assess both current and potential tools for alignment with business needs.
- **Practical Timelines:** Set realistic timelines for technology adoption, considering training and integration.

Challenge 2: Resistance to Technology Adoption

Overcoming resistance involves strong leadership and a supportive culture. Strategies include:

- **Purpose and Leadership:** Clearly articulate the vision for technology adoption.
- **Supportive Team Culture:** Engage employees in decision-making and provide comprehensive training.
- **Agile Approach:** Implement changes incrementally, involving cross-functional teams and continuously gathering feedback.

Challenge 3: Managing Tech Responsibilities Without Dedicated IT Staff

For firms without dedicated IT staff, options include:

- **Cloud-Based Services:** Transition to cloud-based software-as-a-service (SaaS) solutions to outsource tech management.
- **Delegation:** Empower existing employees with tech responsibilities through training and development.
- **Outsourcing:** Consider third-party service providers to handle tech tasks, balancing the pros and cons of small versus large providers.

Challenge 4: Addressing Inefficiencies and Talent Shortages

Streamlining workflows and addressing inefficiencies are critical for successful technology integration. Key actions include:

- **Optimizing Workflows:** Use the Firm Tech Ecosystem to identify and implement tools that enhance productivity.
- **Navigating Disruptions:** Develop strategic plans to integrate new technology without disrupting existing workflows.
- **Value-Based Billing:** Shift business models to allow staff time for learning and innovation.



Challenge 5: Return on Investment and Future-Proof Tools

Balancing current workload with the need for technological change involves:

- **Maximizing Existing Systems:** Explore the potential of legacy software before opting for new solutions.
- **Bolt-on Technology:** Use supplementary applications to enhance core systems without complete overhaul.
- **Continuous Improvement:** Implement frameworks like Six Sigma's DMAIC to ensure sustained improvements.

AI Integration

The report highlights the transformative potential of AI for CPA firms, advising firms to:

- **Start Small:** Experiment with AI tools in non-client work.
- **Focus on Practical Applications:** Prioritize AI integrated with larger software solutions.
- **Continuous Learning:** Invest in AI education to stay competitive.

Ethical Considerations

Firms must address ethical and compliance issues related to AI, ensuring transparency, accountability, and data security. Establishing ethical frameworks and governance structures is essential for responsible AI deployment.

Conclusion

The 2024 CPA Firm Tech Report emphasizes the importance of proactive technology adoption and strategic digital transformation. By leveraging expert insights and addressing key challenges, CPA firms can enhance operational efficiency, stay competitive, and achieve long-term success.

CPA Crossings Research

The CPA Crossings (CPAx) Research & Innovation Program offers a powerful benefit to drive member and staff retention. Now is the time for state CPA societies, associations, and independent firms to embrace new ways to increase their appeal to prospective members and to strengthen current staff relationships. Publishing customized state-specific research provides insights on critical topics facing the accounting profession. CPAx becomes your resource partner in collecting data, analyzing results, and producing customized research reports.

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To learn more about the Research & Innovation Program, feel free to reach out to CPA Crossings' CEO, Adam Batchelor, at abatchelor@picpa.org or contact Kelly Waffle, our Director of Research, at kwaffle@cpacrossings.com to set up a personal meeting.



Meet the Experts

This *Insights* report on Firm Tech brings together the expertise of all-star professionals who consult with CPA firms daily on technology adoption and implementation. We are proud to present in one place their latest thoughts on where firms should invest in next.



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John H. Higgins, CPA, CITP, is the founder and CEO of Higgins Advisory LLC, established with the mission of helping CPAs, CFOs, and other financial professionals successfully guide their firms and business organizations through a successful digital transformation that leverages the power of emerging technologies such as artificial intelligence, blockchain technology, data analytics, workflow automation, and more. John has developed two best-selling courses: “ChatGPT Bootcamp for CPAs” and “Microsoft Copilot Bootcamp for CPAs” to harness the power of these AI tools effectively and expeditiously.



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Jody Padar, CPA, known as “The Radical CPA,” is a visionary in the accounting profession, advocating for technology adoption and forward-thinking practices. Consistently recognized among the “Top 100 Most Influential” by *Accounting Today*, she’s authored books including *Radical Pricing* and *The Radical CPA: New Rules for the Future-Ready Firm*. Jody also contributes to industry publications such as *Accounting Today* and *CPA Trendlines*. With a passion for digital transformation and AI, Jody, now a senior tax adviser at April, aims to simplify and enhance the tax experience.



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