



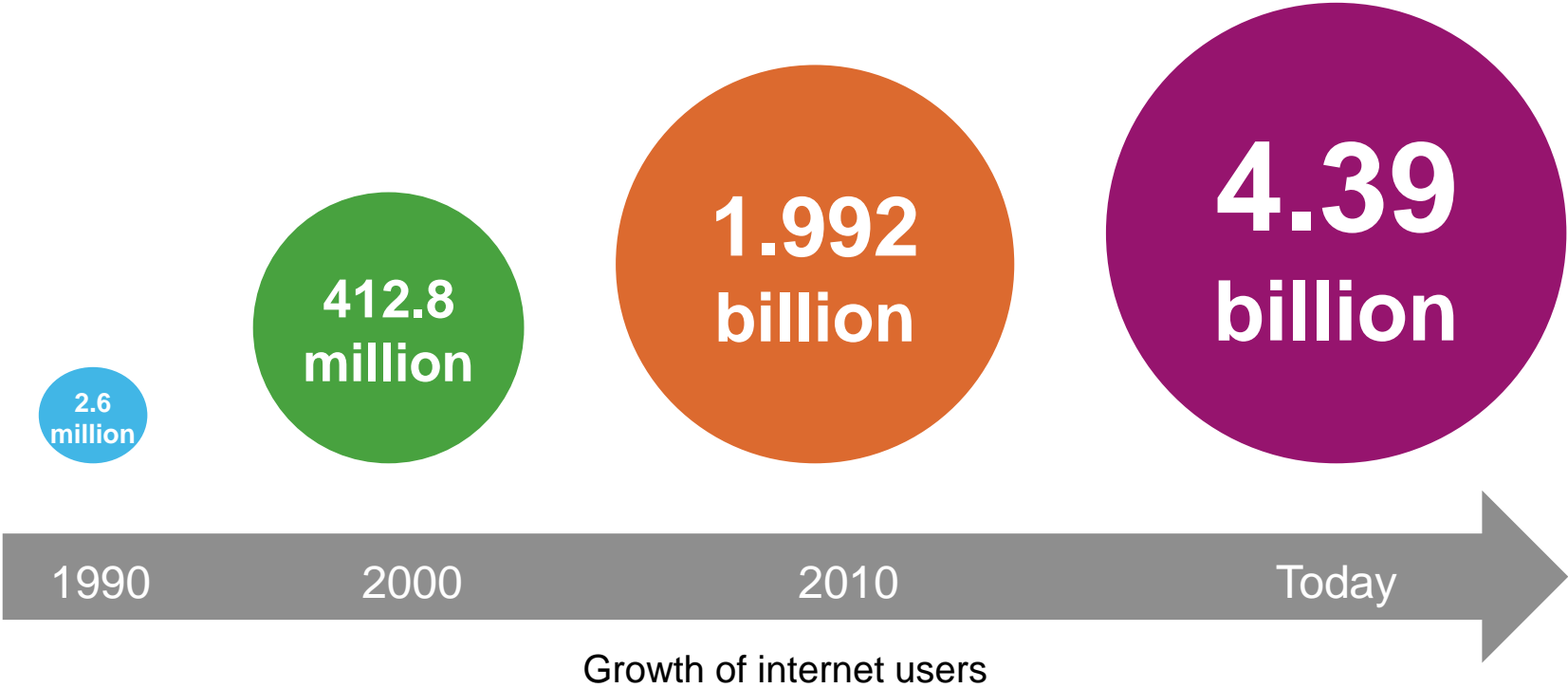
# ReIMAGINE

Michael Cerami  
VP Strategic Alliances, CPA.com

IAPA, June 29, 2019



# Rise of a digital world



# Driving digital transformation

Executives:

**94%**

say their pace of **innovation accelerated** in the past three years due to **emerging technology**

Source: Accenture, Technology Vision 2019

# Clients Are Looking For More

**83%**

of accountants surveyed said clients are asking for more services

**42%**

of clients expect their accountant to provide business advisory services

# Reimagining the profession for a digital world

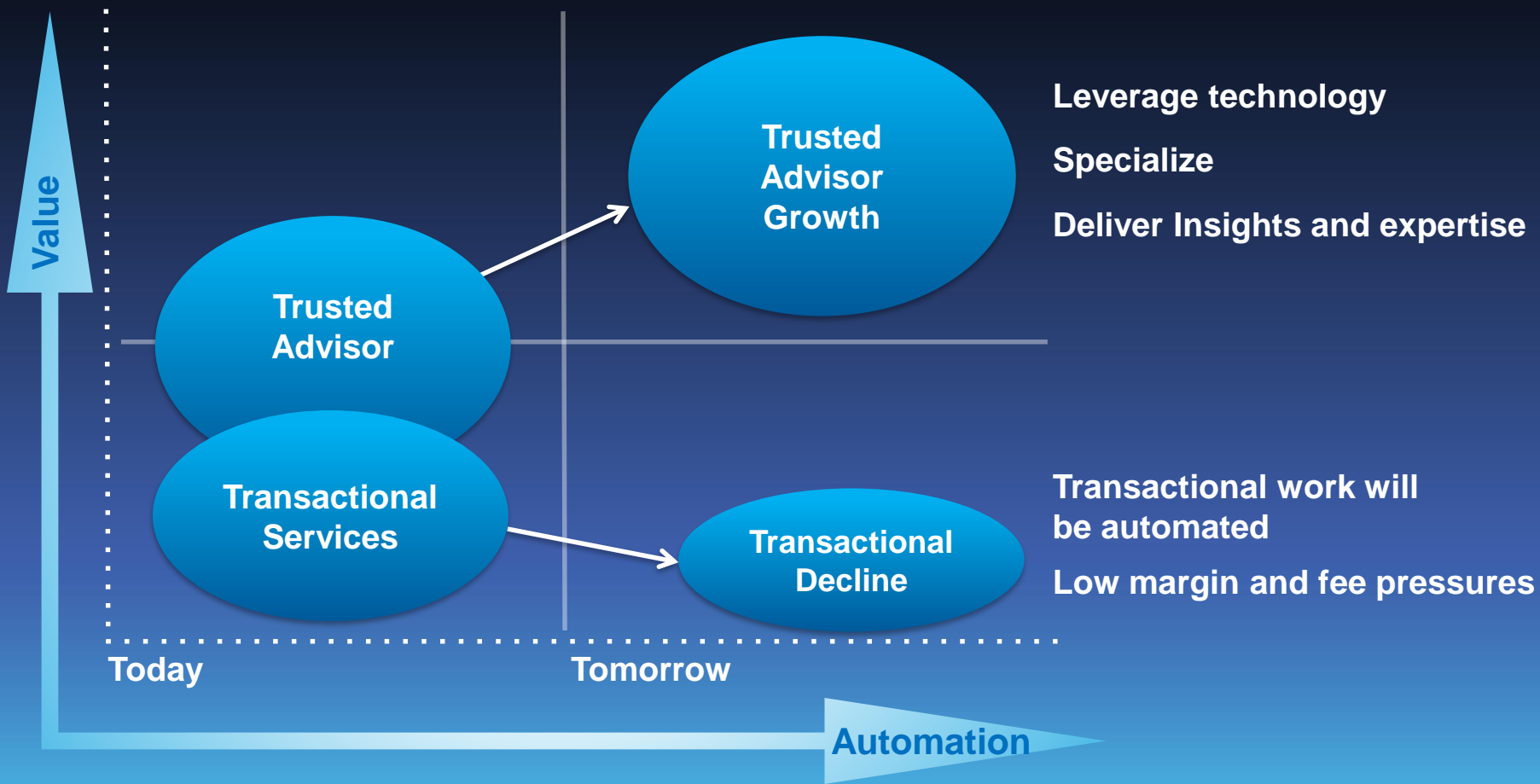
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What we do

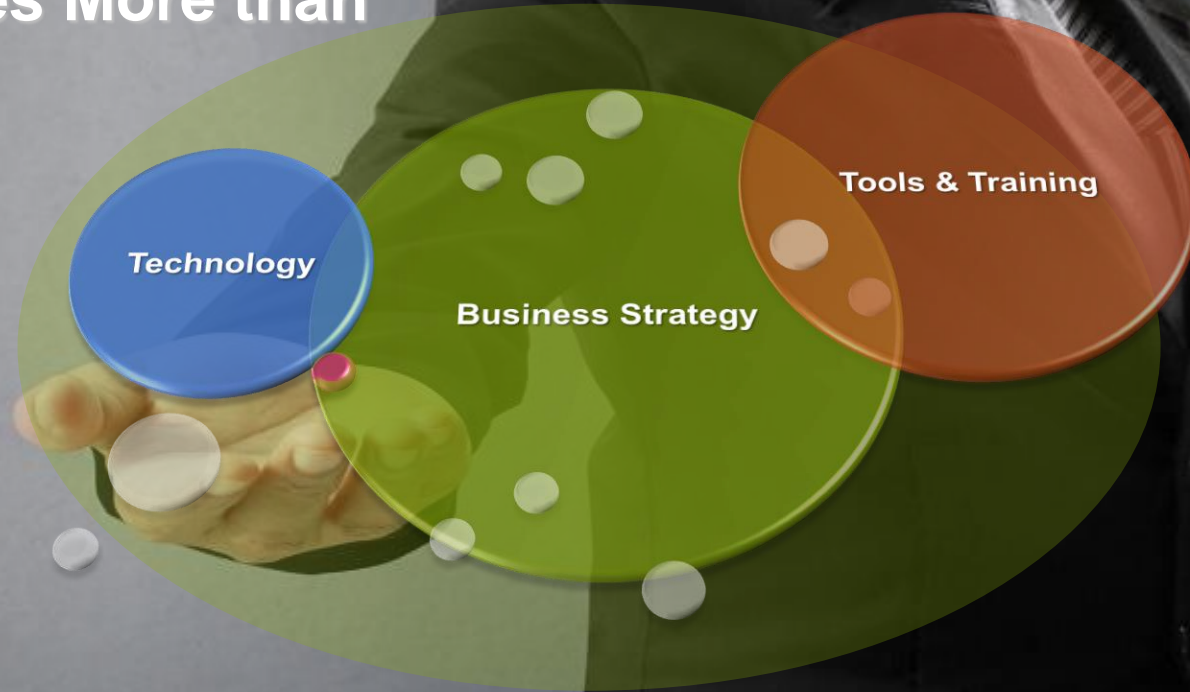
How we do it



# North Star



# Change Management Encompasses More than Technology



# Technologies Transformation of Firm Services

**1**

**Ecosystem**

**2**

**Digitization**

**3**

**Value**



# Accounting Technology Ecosystem

## Accounting



## Tax



## Suites



## Audit



## HR/Payroll



## BI & Finance



## DMS



## IT/Platforms



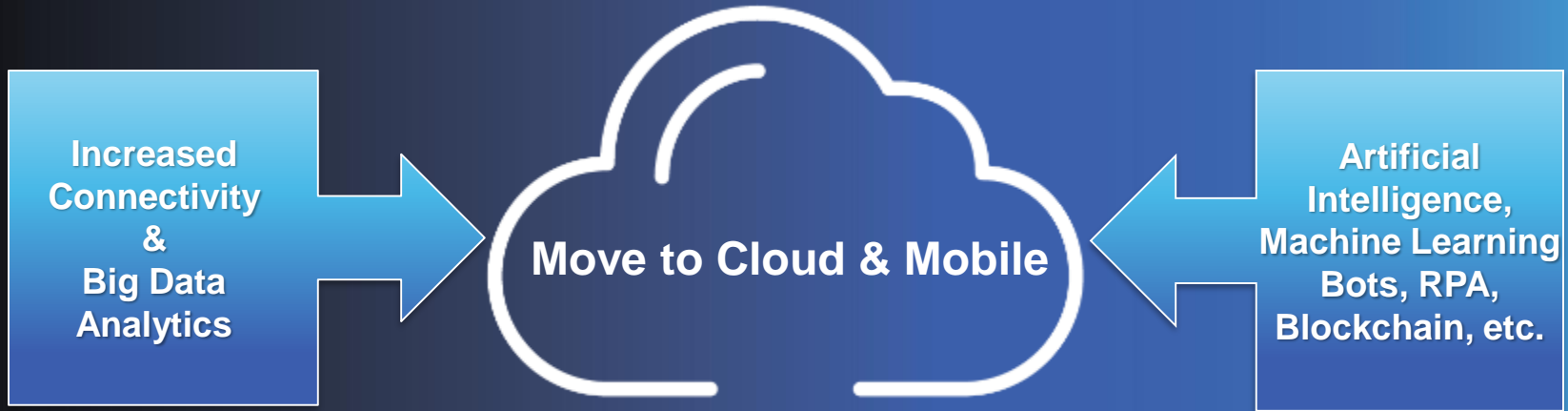
## AP/AR/Expense Management



## Practice Management/Workflow



# Technologies Transformation of Firm Services



**Profession Well Positioned For Growing Impact & Opportunities**

# Dramatic Shift Ahead Regarding AI Usage

*“Within two years, nearly three-quarters of companies will be using AI or planning to do so” – Deloitte 2019 Report*

CPA's Introduction to AI: From Algorithms to Deep Learning, What You Need to Know



## RESOURCES

**CPA.com Report: the Rise of AI:**  
a critical inflection point for the  
accounting profession

**AICPA/CPA Canada whitepaper:**  
A CPA's Introduction to AI, what you  
need to know



# State of Blockchain

1. Business Process Automation

High  
Fortune 500  
Interest

Walmart   
Supply Chain

2. Crypto Assets

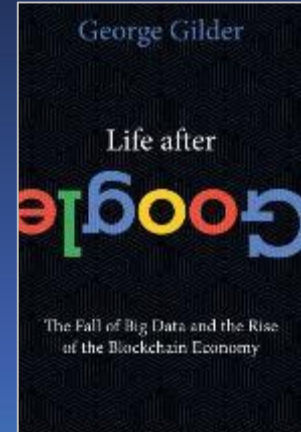


Stable Coin

ICO

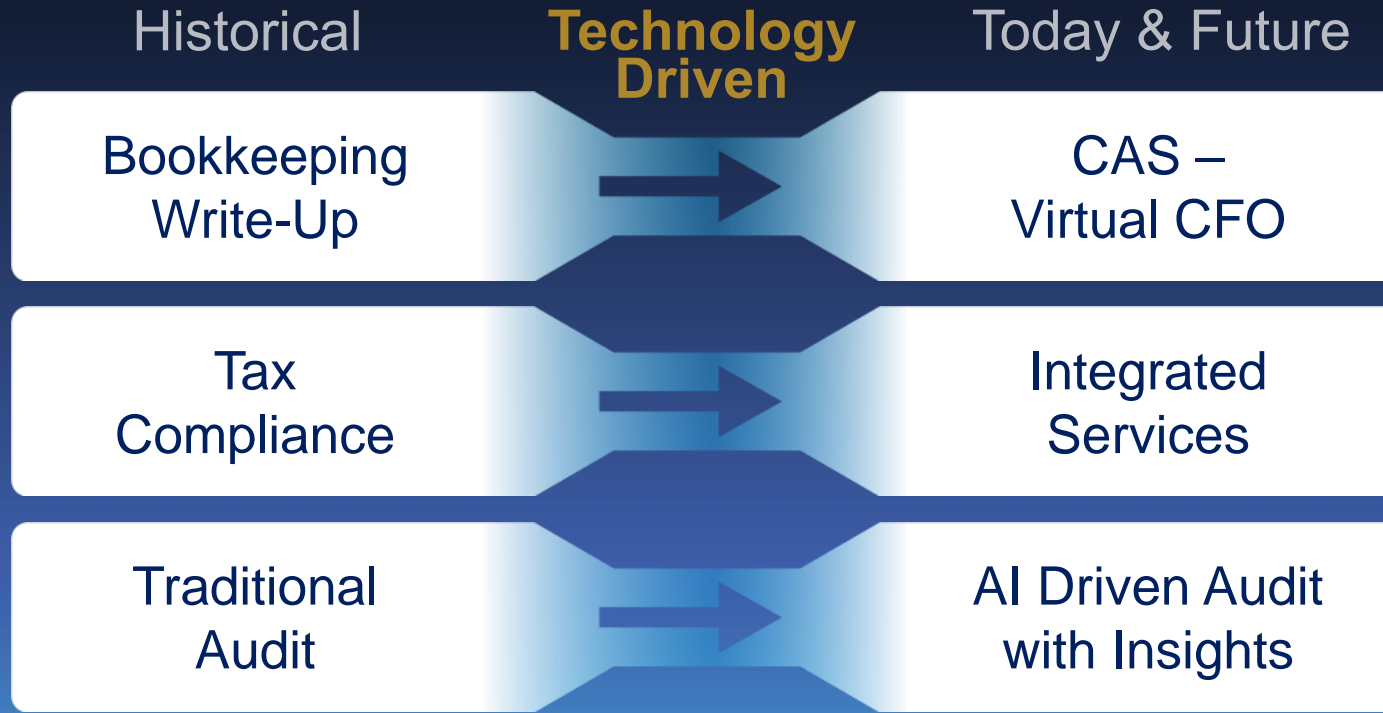
Tokens

3. Internet 3.0  
Opportunity



Great opportunity for the profession

# Increasing Firm Value Opportunity



**CPA Profession Total Market: \$110 billion**

\*IBIS 2018 report

# Increasing Importance of Delivering Trust and Insight



The evolution of compliance and advisory services

# The Changing Profession

Technological innovations

+

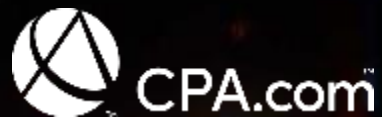
Changing marketplace demands

=

- Complex compliance
- Advisory services
- SOC services
- Technology and big data
- Higher-level analysis



- Data entry
- Simple Compliance
- Transactional tasks
- Repetitive, rules-based activities



# Audit Services





# Trust in auditors is strong

Investors:

80%

confidence in  
**independent audit  
committees**

81%

confidence in  
**public company  
auditors**

# Expanding role of auditor...



47%

say auditors should  
perform deeper analysis  
in the areas they already  
cover

78%

say auditors should use  
more sophisticated  
technologies for data  
gathering and analysis

# Auditing in The Future Key Drivers



**TECHNOLOGY**



**METHODOLOGY**



**STANDARDS**

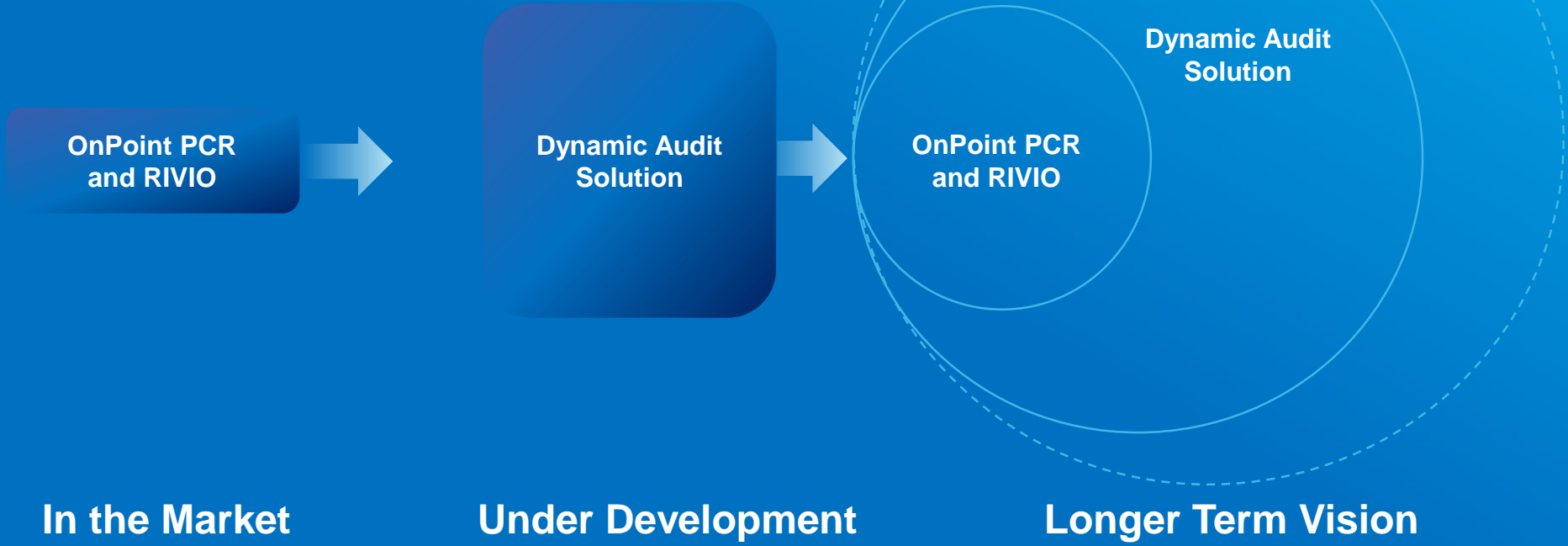


**NEW SKILLS**



# Building a solution to support all assurance services

Fully-integrated solution covering the suite of CPA assurance engagements:





# OnPoint PCR

A smarter way to do  
PCR engagements

A collaborative effort among:



CPA.com



AICPA

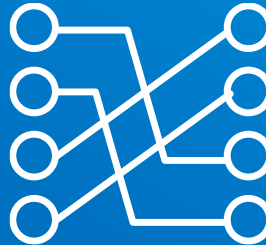


CASEWARE



## Guided Engagements

- Intelligent Checklists
- Interactive Methodology
- Disclosure Checklist Optimization



## Integrated Toolkit

- Trial Balance
- Client Portal
- Leadsheets
- Workflow
- Financial Statements



## Cloud Platform

- Real-time collaboration
- Bank level security
- Reduces IT Burden

# Audit Technology Ecosystem

## Automation of Inputs

### Intelligent Workflow

Smart forms, support standards, documentation

### Client & External Data

Structured and unstructured (API, OCR Driven)

### Direct Feeds

Banks, payments, blockchain subledgers, etc.

## AI Driven Audit

### RPA Data Processing

### Data Lake of Information AI Driven Analysis

### Data Visualization Risk Dashboard

## Deliver Insights & FSA

### Audited Financial Statement

### Additional Client Insights & Dashboard

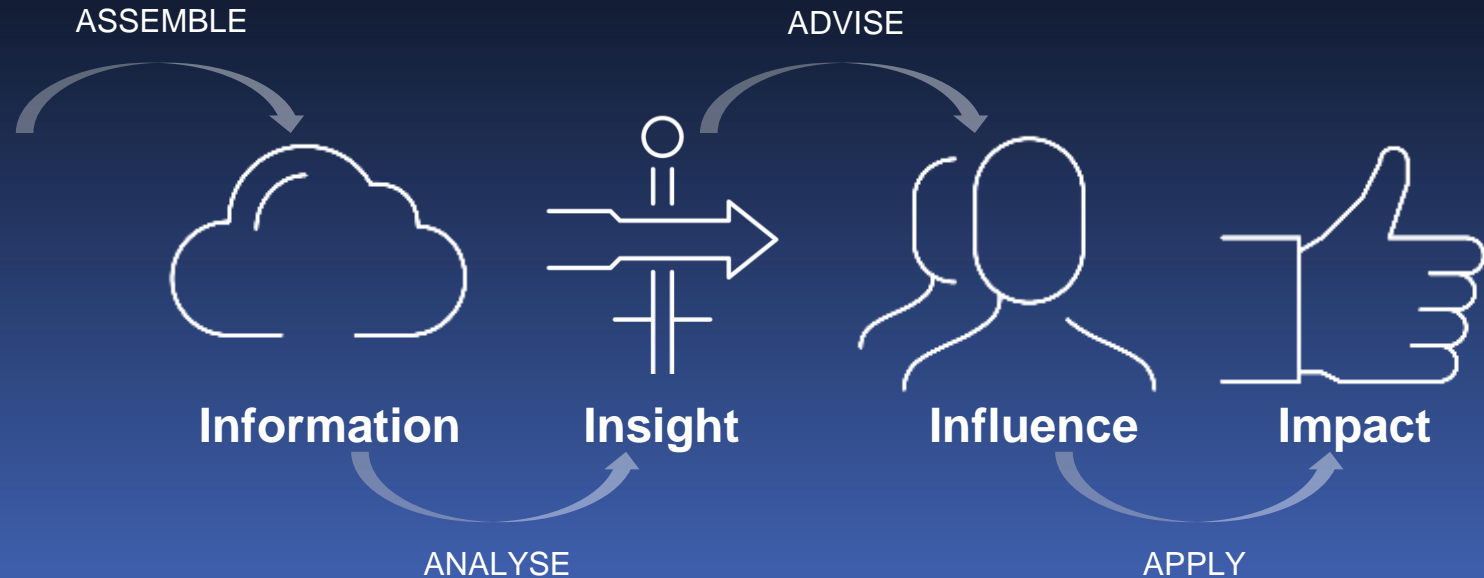
Drive greater efficiency, quality, and value in the audit process



# Accounting Services



# Evolution of accounting & finance role



**Comfort Zone**

**Value Zone**



# Client accounting advisory (CAS) services

CAS practices are **growing** more than **2X** the **median** **CPA firm** growth rate

## Top services

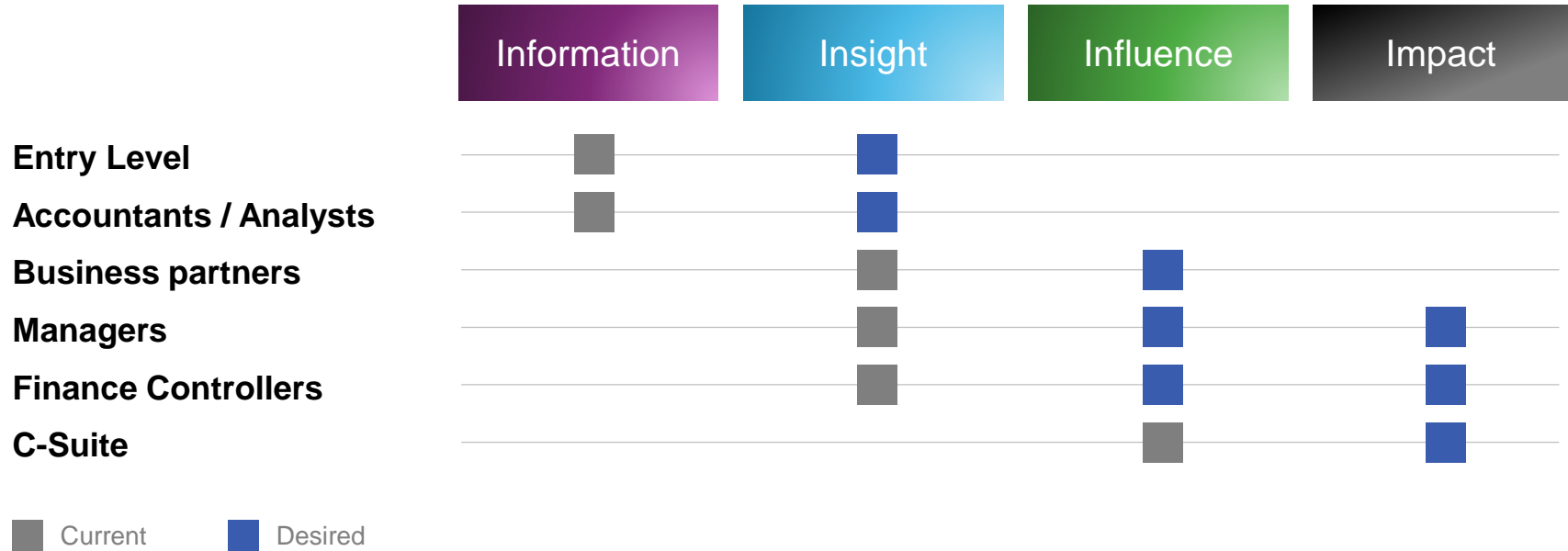
Financial statement preparation

Accounts payable

CFO / controller advisor services

Budgeting / forecasting

# Reinventing finance for a digital world





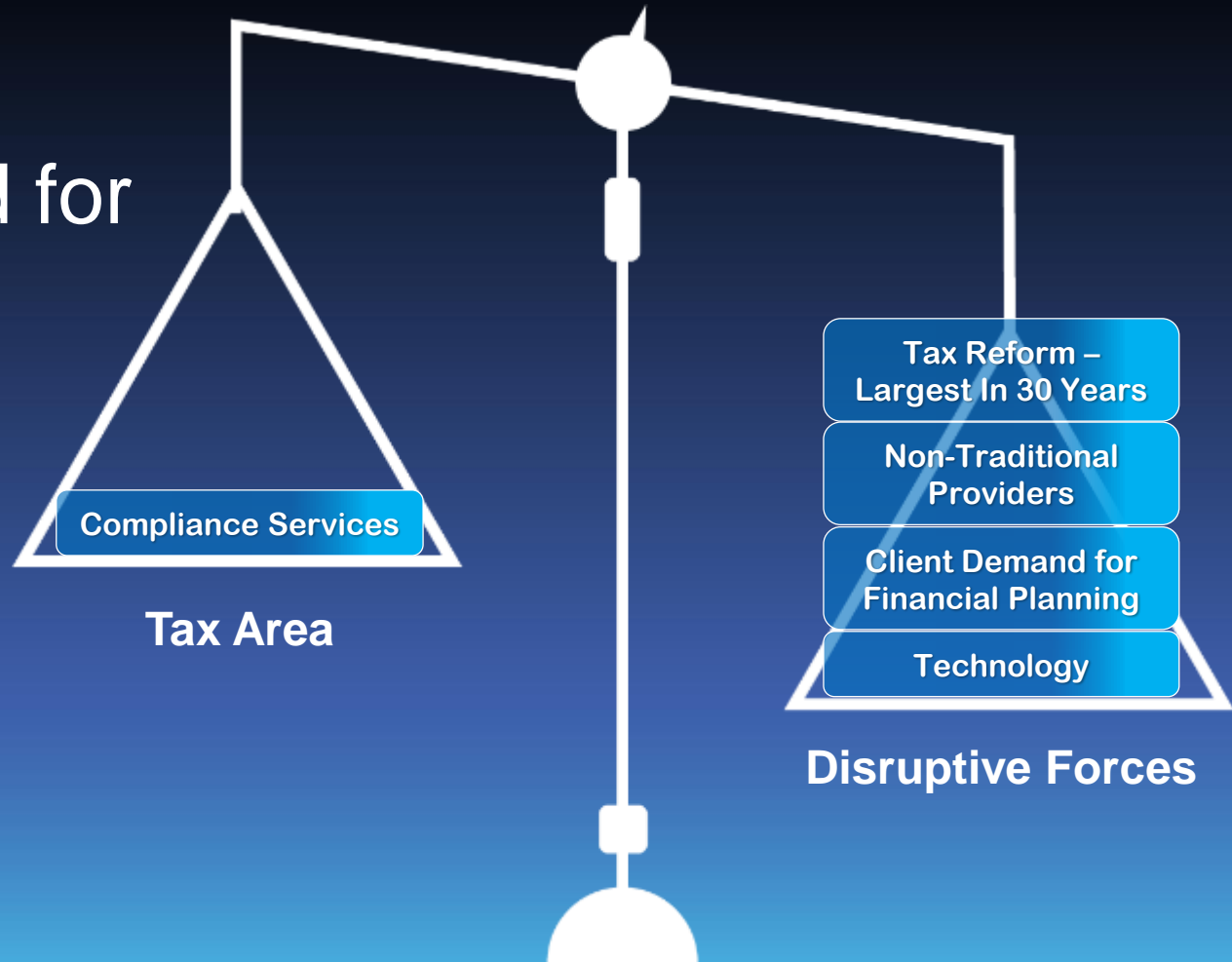
# Tax Services

# How Americans file their taxes



Source: 2018 HR Block presentation based on IRS Data

Disruptive  
period ahead for  
individual  
tax area



# Market Forces And Capabilities For Tax Practitioner

## Tax Preparation Solutions

Thomson, CCH,  
Intuit, Drake,  
Canopy, BNA,  
etc.

## Personal Financial Solutions

Mint.com,  
Personal Capital,  
Credit Karma,  
SoFi, etc.

## Financial Planning Software

eMoney, MGP,  
Right Capital,  
etc.

## Wealth Management Advisors

HDVest,  
1stGlobal, BAM,  
& many others

Significant growth is occurring with Personal Financial Solutions with 100 million users and integrated capabilities of Financial Planning Software

# Planning & Tax Advisory Services

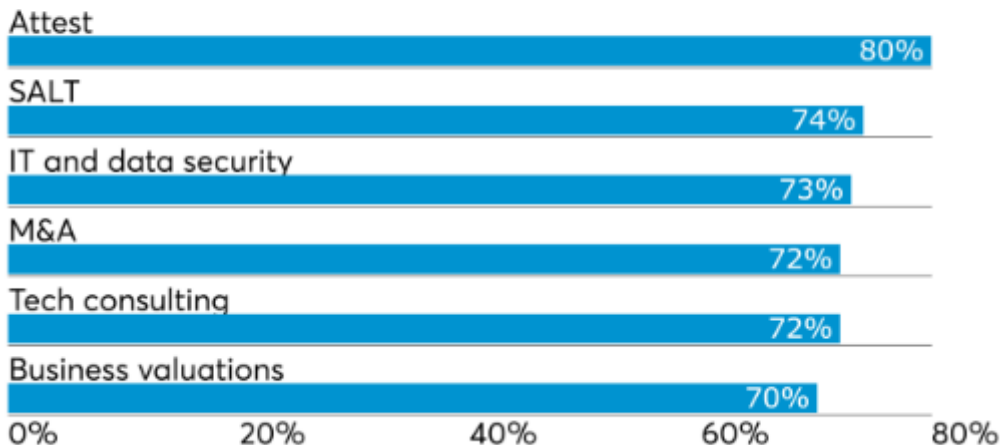
- Market demand is soaring
- Client needs are changing
- Tax reform presents opportunity
- New online resource center & planning certificates



# Niche Growth Area: Sales & Use Tax Services

## Top offerings

Percent of the Top 100 Firms seeing growth in these service areas (of 81 firms responding)



Source: 2019 Top 100 Firms Survey

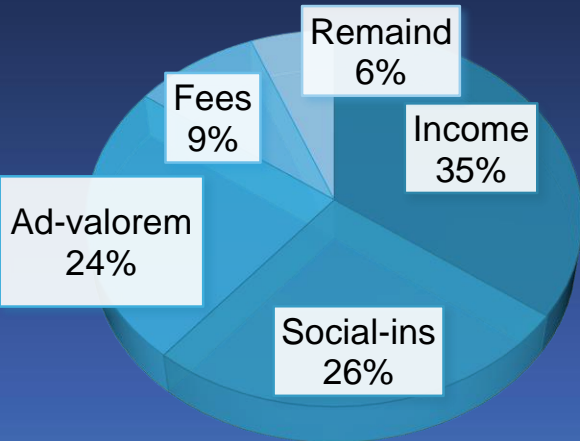
- Within Top 100 firms SALT was 2nd of niche services polled for growth with 74%
- Primary reason for expected growth is market demand from regulatory changes



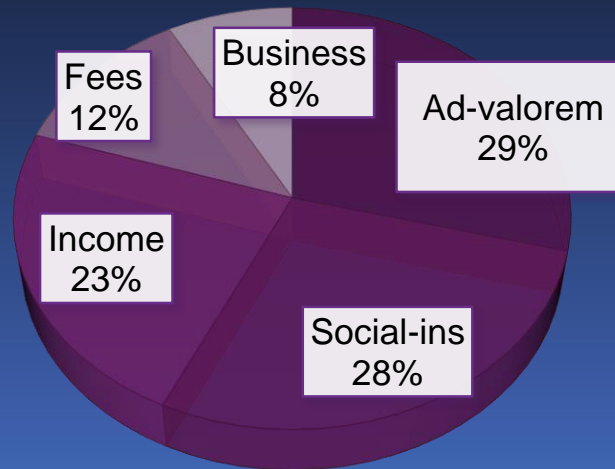
# Total US Tax Collections

## State & Local Taxes – Growing & More Complex

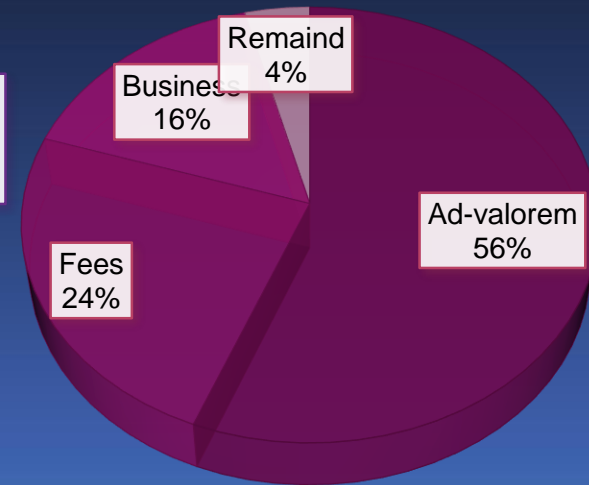
Total Revenue: \$7.01 trn  
United States – FY 2019  
(Federal \$3.4 trn)



State Revenue: \$2.11 trn  
United States – FY 2019



Local Revenue: \$1.47 trn  
United States – FY 2019



Ad-valorem tax is a form of taxation based on the value of a transaction or a property. Key driver is Sales & Use Tax which is forecasted to grow significantly over next few years

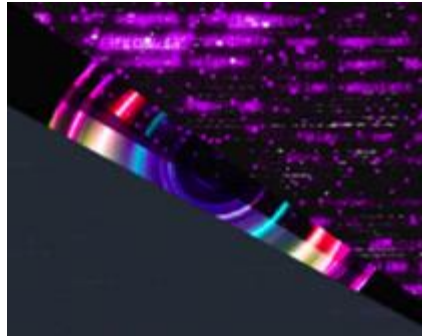
**Learn**

**Unlearn**

**Relearn**



Human intelligence



Data analytics



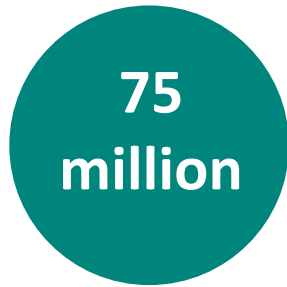
Robotic process automation



Blockchain

# The job landscape in 2022

Global  
change by  
2022



## Top 10 declining roles

1. Data entry clerks
2. **Accounting, bookkeeping and payroll clerks**
3. Administrative and executive secretaries
4. Assembly and factory workers
5. Client information and customer service workers
6. Business services and administration managers
7. **Accountants and auditors**
8. Material-recording and stock-keeping clerks
9. General and operations managers
10. Postal service clerks

# Growing skills demand

1

2

3

4

5

6

7

8

9

10



EXPERTISE

# The job landscape in 2022

Global  
change by  
2022



**133**  
**million**

## Top 10 emerging roles

- 1. Data analysts and scientists**
- 2. AI and machine learning specialists**
3. General and operations managers
4. Software and applications developers and analysts
5. Sales and marketing professionals
- 6. Big data specialists**
- 7. Digital transformation specialists**
- 8. New technology specialists**
9. Organizational development specialists
- 10. Information technology services**



New Domain

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The future is  
already here...  
Its just not evenly  
distributed