

Looking Ahead: Predictions for Accounting and Finance in 2022

Judy Hanover
Kevin Cumley
Chad Wagner

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Q&A

Asking Questions



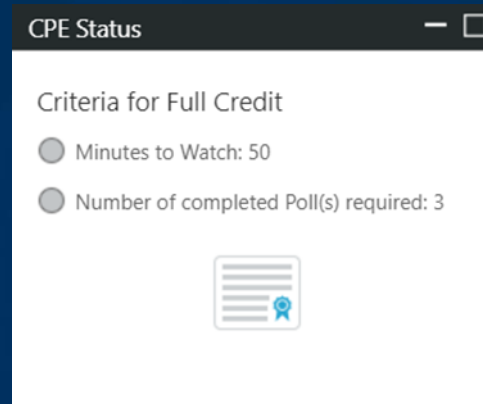
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Moderator

Steve Shannon
Director of Partnership Marketing,
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IMA



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Featured Presenter

Judy Hanover, MS, MBA
Director, Industry Marketing
Sage Intacct



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Judy Hanover's Biography

- Judy is director of industry marketing for the general business segment at Sage Intacct. She brings over 20 years of experience in industry content and product marketing, strategy and market research to Sage Intacct. Most recently, she led healthcare and life science product marketing initiatives at Model N and Pure Storage and spent over 10 years as an industry analyst and practice leader at IDC.
- Judy is passionate about go-to-market strategies that enable industries to leverage innovative technologies to improve customer experiences and drive results.

Featured Presenter

Kevin Cumley

Senior Director, Accountants Program

Sage Intacct



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Kevin Cumley's Biography

- Kevin Cumley is Senior Director of the Sage Intacct Accountants Program where for the last 7 years he has been responsible for leading the BPO / outsourcing channel in partnership with CPA.com (an AICPA company).
- He started his career in public accounting during the 1980's implementing the first generation of PC based accounting systems for small to mid-sized organizations. Kevin then founded and was President of Forepoint, an award-winning reseller of accounting software which over the next 20 years became one of the largest and most successful VAR's in North America and was consistently ranked as a Top 100 firm. He has over 30 years of experience in the technology industry providing ERP solutions to SMB organizations and is a leading expert in client advisory services (CAS) using cloud financial solutions.
- He was also recognized by Accounting Today as one of the Top 100 Most Influential People in Accounting in 2020 and 2021.

Featured Presenter

Chad Wagner
Senior Manager, Industry Marketing
Sage Intacct



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Chad Wagner's Biography

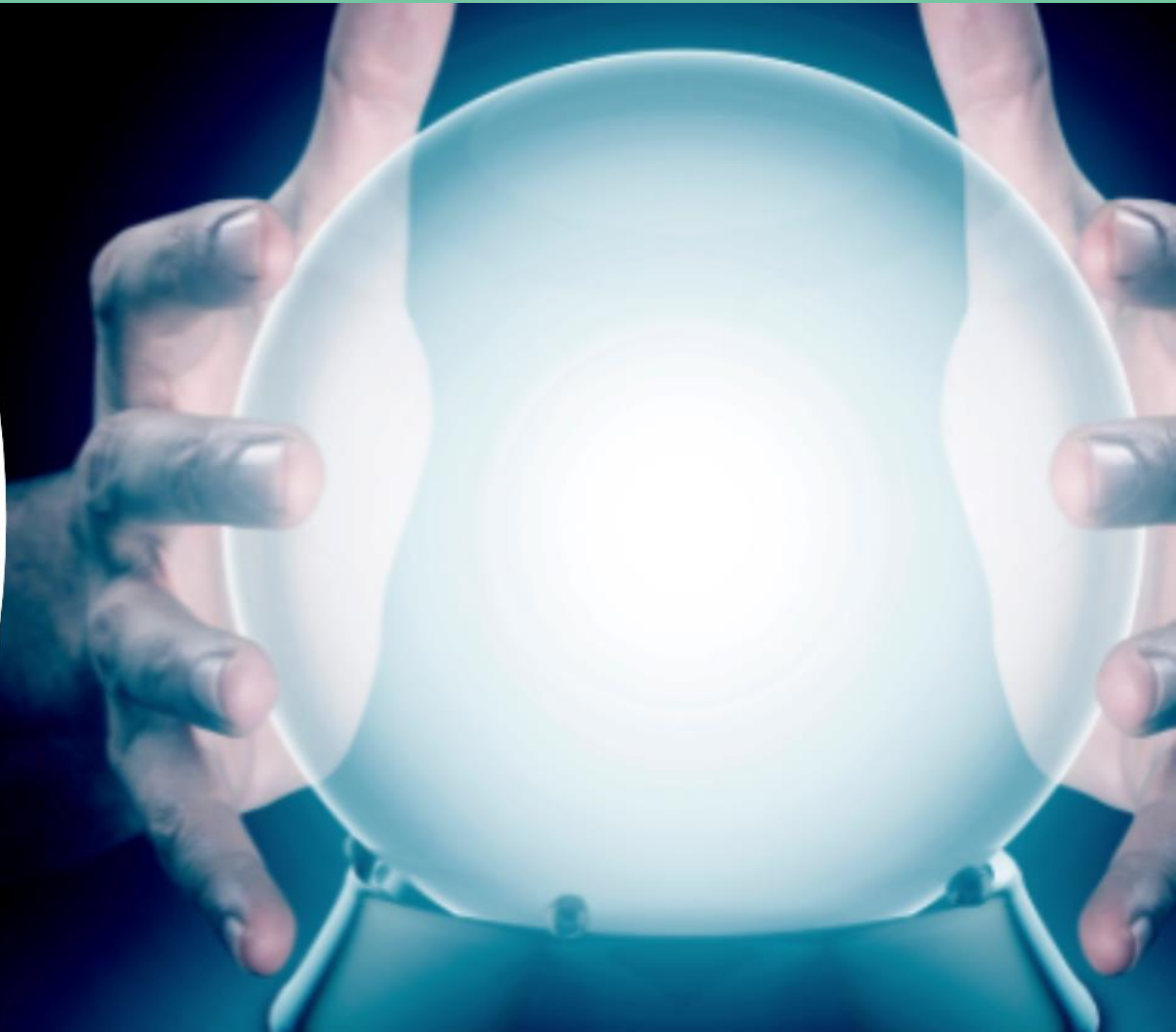
- With nearly 20 years of industry marketing experience, Chad has led customer engagement and brand awareness initiatives for leading global technology companies as well as start-up organizations.
- In 2021, he joined the general business team at Sage and works to analyze market trends and showcase Sage Intacct's technology advancements in accounting for small and mid-size businesses. He is based in Austin, Texas.

Learning Objectives

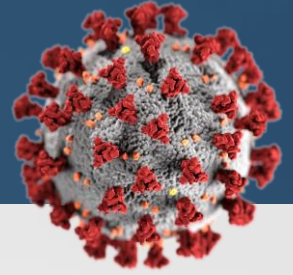
1. Explain the importance of staying agile as the COVID-19 pandemic becomes the COVID-19 endemic.
2. Recognize how to beat the talent war by leveraging distributed work and automation to improve efficiency and accuracy.
3. Give examples of ways to tell your story with data, dynamic reporting, and analytics.
4. Discuss the value of new technologies like RPA, blockchain, and cryptocurrency.

Agenda

- Introduction
- Predictions and Discussion
- Poll Questions Throughout
- Audience Q&A
- Final Thoughts



1 COVID and Cloud are Here to Stay



- COVID-19 and cloud are here to stay
- The nature of work is likely forever changed, at least to some degree for most roles
- SMB and MM companies will continue to refine their cloud infrastructure and leverage additional apps to fill functionality gaps
- Replacement cycles for apps that fail to meet needs as industries evolve
- New and replacement technology buyers will seek cloud-based accounting systems that incorporate automation and analytics seamlessly:
 - Allow businesses to work remotely
 - Support flexible hybrid and in person connectivity to maximize productivity
- Uncertainty and cybersecurity threats levels continue to keep agility and resiliency top of mind for accounting and finance leaders

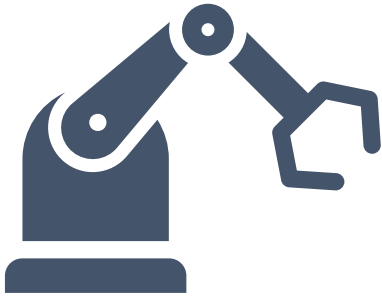
Poll Question 1:

How are staffing or labor shortages affecting your team? (please check all that apply)

- a) Spending more time on hiring-related tasks
- b) Hiring more remote employees
- c) Increasing wages
- d) Using more contract employees
- e) Outsourcing more accounting or finance operations
- f) Investing in automation technology to stretch resources
- g) Investing in new technology to attract and retain talent
- h) We are not affected by labor shortages
- i) We are affected by labor shortages but have not changed our business practices as a result
- j) I don't know/not applicable

Poll Question 1 Results: (Placeholder)

2 Labor Crunch Accelerates Accounting Automation



If you can automate it, you will in 2022

- Labor shortage continues
- Automation technologies will be used as human extenders to replace repetitive tasks in accounting departments

Managers in 2022 will need to focus on:

- Making the most of the staff you have by adding automation that allows them to focus on strategic initiatives not mundane tasks
- Investing in upskilling staff to meet new challenges
- Implementing technology that makes your business attractive to new hires

Automation will ensure accuracy on projects and efforts that may be less fully staffed than they had been in pre-pandemic corporations

Poll Question 2

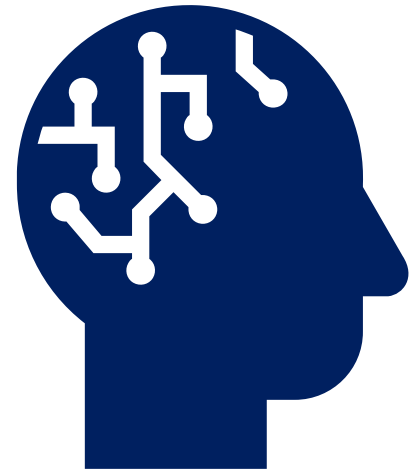
In 2022, will your business leverage AI technology to automate routine tasks, like accelerating workflows, identifying outliers and errors?

- a) Yes, we have already invested in AI and will continue use in 2022
- b) Yes, we will invest and implement AI in 2022
- c) Yes, we will investigate AI in 2022
- d) Yes, we will investigate AI but after 2022
- e) No, and not planning on utilizing AI technologies
- f) No, but interested to learn more about AI solutions

Poll Question 2 Results: (Placeholder)

3 AI Investment Will Grow

- Accounting AI investment will continue to grow, even in industries late to digital transformation
- Small and medium segment AI investment will be tactical and drive ROI from targeted workflow automations and data management changes
- AI and RPA will be applied to automate routine tasks, and put tactical solutions into the back office that drive efficiency and extend the productivity of humans



Key
Technologies
for
Automation
in 2022
Include:

- **Intelligent general ledgers and error/anomaly detection** to eliminate inaccuracies and automate consolidations
- **Robotic process automation (RPA)** to accelerate or eliminate repetitive tasks for users, extend staff reach and allow available staff to focus on issues that require human interaction
- **Dynamic allocations and consolidations** accelerate time-intensive manual tasks and ensure timely financials

Key Industries for AI and Automation in 2022



Retail and wholesale distribution. Examples include automated solutions for managing inventory and offering self service capabilities in stores and optimizing multichannel operations with fewer staff.



HR/payroll. Companies will add automation to HR, including timekeeping, payroll, onboarding, benefits, time off and compliance, reducing the need for staff to accomplish these functions 1:1. Turnover has never been higher; driving up the volume of work. The labor shortage has HR resources re-directed toward recruiting and retention of employees, leading smaller teams to automate routine workforce tasks where possible.



Transportation. With supply chain backups becoming widespread in 2022, transportation industries like trucking, shipping and air freight will accelerate the journey to paperless operations and digitize data in order to optimize logistics and ensure resources aren't wasted as goods make their way to customers across the world. This will be necessary to manage rising costs and serve customers.



Consumer and in-home services. Demand growing with work from home and rising housing market. In order to better track work, automate invoicing and payments, and make these mobile professionals more productive, these industries will both continue the process of digitizing their core operations in 2022, adding mobile solutions and selecting those that incorporate automations that maximize revenue while keeping field operations lean.

4 Outsourcing Accounting Becomes More Common

- Outsourced accounting is becoming more common in 2022, driven by automation and talent wars/staffing shortages
- Why outsourcing in 2022?
 - A shortage of qualified people to hire and retain
 - Economics of outsourcing more attractive as labor costs rise and automation makes outsourcing more effective and accurate
 - Small and midsize firms cannot find talent in their local labor market
 - Growing companies want the stability and predictability of a larger firm, scale and resources



5 Analytics, Action and Storytelling Converge

- For most businesses entering 2022, analytics is not new, and investment will continue as companies seek ROI and to tackle operational issues with more insight
- Latecomers will benefit from progress that continues to automate and systematize the use of analytics, particularly around data automation
- Making information actionable will be a priority for new and existing analytics installations
 - Automating data flows and bringing sources together will allow us to be more predictive and to look beyond finance
 - Finance leaders' roles increasingly include working with other areas of the business, leveraging data held by finance to add insight or drive efficiency and profitability
 - Advanced data automation approaches will help summarize data and add insight into the story behind the data, integrate analytics data with operational data and systems, and eventually allow users to take action in response to data from within apps
- The new analytics tools that early adopters choose in 2022 will begin to tell a deeper story from multiple data sources and offer connections to the operational systems that allow action.

Poll Question 3:

How is your company using blockchain (distributed ledger technology) and/or cryptocurrency?

- a) Investigating blockchain
- b) Using blockchain
- c) Investigating cryptocurrency for transactions
- d) Investigating cryptocurrency investments
- e) Accepting payments in cryptocurrency
- f) Keeping cryptocurrency investments on the balance sheet
- g) Not investigating or using blockchain or cryptocurrency in 2022
- h) I don't know

Poll Question 3 Results: (Placeholder)

6 Blockchain Adoption Continues

- Distributed ledger technology will see continued adoption within business apps for specific capabilities, based on its merits
- Use of blockchain-based cryptocurrency will remain extremely cautious and mainly in the consumer arena, but we will start to see some legitimate use cases appear in the business-to-business transaction space in 2022, as we continue to move toward paperless (and paper check free) accounting
 - Businesses will seek to accept consumer payments in crypto
 - The B:B segment will begin testing check-free payments in some industries
 - Investment-grade crypto opportunities will become more widespread



... but Caution Abounds on Cryptocurrency

Poll Question 4:

What do you see at the top challenge for your accounting team in 2022?

- a. COVID response
- b. Cybersecurity/data protection
- c. New regulations
- d. Staffing shortages
- e. Navigating complex technology
- f. The economy (micro or macroeconomic trends, inflation)
- g. Growth or financing growth
- h. Other/I don't know

Poll Question 4 Results: (Placeholder)

7 New Regulations Still Slow

- Pace of new accounting regulation implementation has been slowed to allow businesses to recover from the pandemic
- As COVID moves to an endemic nature, it is expected that there will be some pickup in new regulations, particularly in those areas that have seen growth or innovation resulting from the pandemic
- The lease accounting rule, ASC 842, will continue to be implemented by private companies in 2022
- Areas to watch for new regulations to be introduced in 2022 include evolving and fast-growing industries including:
 - Green energy
 - Cryptocurrency
 - Cannabis and hemp
- Societal shifts like at-home work are also likely to be addressed by new accounting regulations in coming years



Questions & Answers



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Thank You to Our Presenters!



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Final Reminders

- ▶ **Complete the Evaluation poll** – 2 options
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 - Evaluation Survey icon at the bottom of your console
- ▶ **Access to your CPE Certificate** – 2 options
 - Click the “CPE” icon at the bottom of your console
 - or
 - Click the link in your post-event e-mail
- ▶ Please print a copy of the CPE certificate for your records.
- ▶ Your CPE credit will be automatically recorded in your transcript.

Thank you!

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