

Practical Advice on Implementing Tech at your Accounting Firm



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Introduction

Using technology is a given for the 21st Century accountant. It's also a necessity for those who are delivering advisory services, with clients seeing the real value of advice from someone who knows their business and who they trust.

The pandemic highlighted that although technology use was widespread, there were still areas where firms got caught out. In the beginning, not using cloud-based services made remote working near impossible. Another issue was how time-consuming manual data entry delayed getting up-to-date management information to clients. You probably had your own experiences during 2020 and early 2021, but whatever they were, clearly there is room for improvement and optimisation.

Implementing technology is not as simple as setting up an account or installing a piece of software and assuming that the job is done. You need to have an action plan for the successful implementation of technology to ensure it's actually working for you.

In this guide, we've partnered with our friends at Dext and Iridium to give you practical steps to implementing technology in your modern practice, embedding your status as your client's trusted advisor.

Avoid shiny object syndrome - people can be attracted to the latest piece of tech without fully considering whether it's the right fit.

Why use technology?

Deployed and supported wisely, the right technology brings both internal and external benefits, helping you and your clients achieve your goals.

Internal or company benefits of technology include:

- Streamline your working process
- Free up time to win more work, offer more support to clients or have personal time
- Monthly subscriptions rather than annual ones are cost-effective
- Automate many internal processes

External or client benefits of technology include:

- Scale your offering and deliver greater output
- Automate external processes
- Spend quality time with clients
- Fewer spreadsheets, more insights

Dext's 2021 survey of over 500 SMBs in South Africa showed that **57%** of them **see their accountant as a business partner.**

There are only so many hours in the day - how many hours can you save by automating routine processes? Jot down your typical daily and weekly tasks and see where you can create efficiency gains.

Peter Magner, Director of Cape Town-based Iridium Business Solutions says:

“Business owners need a financial partner, somebody that understands the finances wholeheartedly and who is invested in their business from a financial perspective. For Iridium to add value to businesses, we need to be equipped as advisors with three things; we need the right technology for the client, we need robust processes in place, and we need the appropriate services that the clients actually need”.



Technology is not going to solve fundamental problems in accounting, people are. Technology won't replace people, it will just enable them to do a better job.

– Peter Magner

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As we discussed above, some technology benefits your practice internally, while others are more client-facing and external. Whichever area they address, it's important to match new choices to a specific process or a section of a process.

This will give you a clear benchmark to compare the tech against. Does it improve the process? If so, how much (time saved, processes automated, money earned)?

You can also then decide which processes to automate first. For example, Iridium has identified three 'core processes': accounting, reporting and payroll.

It's not just about signing up to a piece of technology so you can get a 10x return in a month. It's about process improvement that results in a better client experience.

– Peter Magner

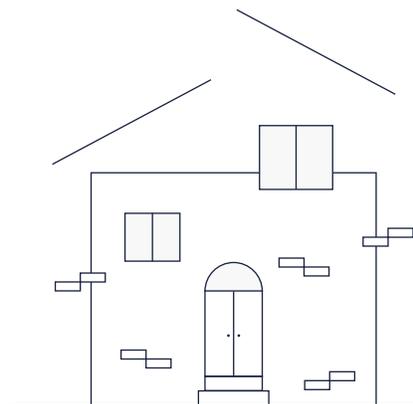


Building a technology stack is a lot like building a house. You start with a solid foundation and only then build the structure.

For your tech stack, you need to ensure that the data is accurate and the processes are working. This is your foundation. You can use Dext to expedite the data capture, ensuring the data is accurate which frees up time to focus on value-added areas.

Once the data is clean and accurate, you can then add Fathom as the next layer in your technology stack and visualise your clients' management information, including forecasting different scenarios for them. All with the goal of helping them succeed financially.

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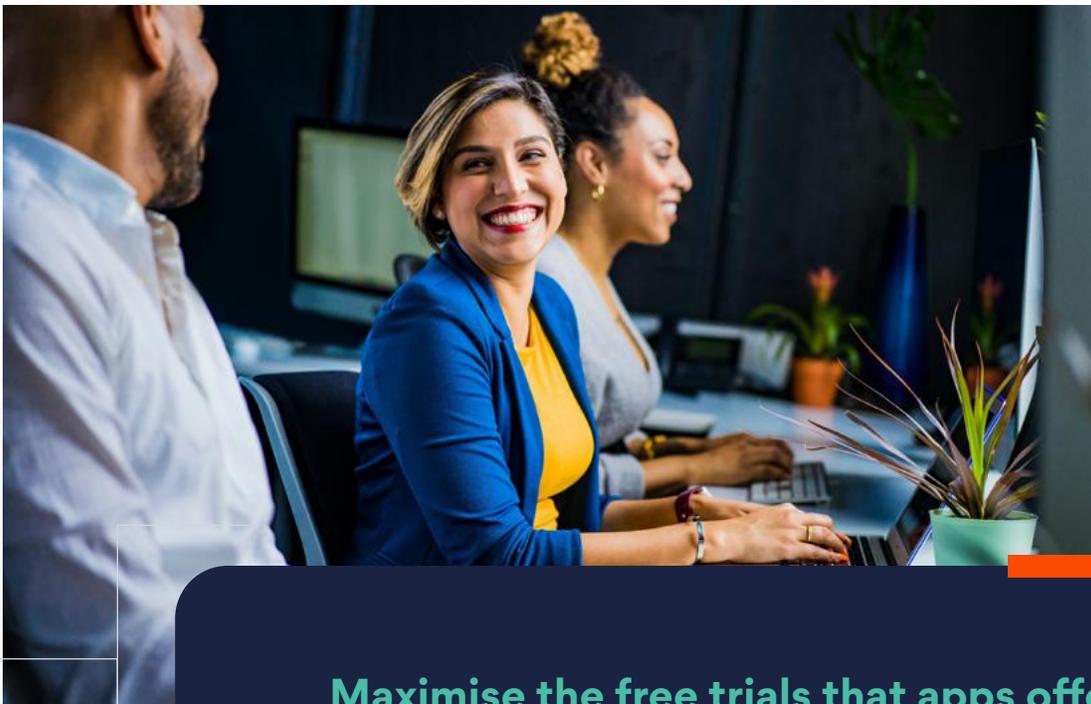
Map out the current flow of your data and start with the bookkeeping and data quality before moving further down the process.

Evaluation

How to choose the best technology for your firm

Evaluation starts with the processes: which ones can you improve with technology and how do they fit into your overall tech stack? Some of these may be obvious choices, but often it's the dangers hidden in plain sight - the things you've perhaps become accustomed to - that can actually be an unseen drain of your resources.

As Xero users, Iridium's tech stack was focused solely on Xero integrated apps. Iridium followed the tips on managing the current data flow in building their technology-enabled practice, starting with Dext (then called Receipt Bank) which they used to help capture data. They then implemented Fathom to deliver advanced insights and reports to their client base. Crucially, they waited six to nine months to do so, ensuring that the data was accurate and processes were working optimally.



Maximise the free trials that apps offer, including the support along the way. This offers you a chance to ensure that the app is right for your practice.

Technology can come with hidden costs. This isn't the cost of the subscription. It's the cost of getting all of the processes changed, the cost of getting staff using it and your clients seeing it.

If the tech is not a good fit, you'll have to undo implementation six months later. This can be damaging to staff morale. There's also a danger you might lose staff buy-in and team members become disenfranchised with the tech.

As for clients, they will wonder why you're changing things again so soon. So, it's important to take your time and have a methodological approach when evaluating apps, ensuring you have set aside enough resources (especially time) to properly evaluate the technology.

Evaluating solely on price is a really bad call. It's an awful call, to be honest.

- Peter Magner



Evaluating solely on price is a bad call. All software does slightly different things and in different ways, so it's seldom a 'like for like' call based on price alone.

Typical things you should consider when evaluating software options include:

- The user experience, both internally and with your customers.
- The customer support on offer from the provider. Great customer support is crucial to your growing partnership with the technology provider, and for getting help along the way. If you get bad support during the trial period it is unlikely to improve post-sale. Does the software come with any additional training so your staff can learn it at their own pace?
- Finally, what's the quality of the product and any output it generates. Remember, you get what you pay for, so cutting corners on price may end up hurting your firm in the long run.

Implementation

Deploy your technology choices

Evaluating and selecting the best pieces of technology for your firm is a good first step, but we're not done yet. Being a true cloud-based, tech-centric, accounting firm requires a rock-solid implementation of technology and tools that are closely mapped to their associated processes.

The implementation stage will vary significantly depending on your practice. The bigger the team, the more planning is required in the roll-out, as there are more people to train and to buy into the product.

Set realistic expectations for your tech roll-out.
Have a project plan with dates and responsibilities assigned, and a regular check-in meeting to discuss progress and share learnings.

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Don't overwhelm your team by implementing too many things at once. Make sure you're getting it right by taking a methodological approach. Remember, your north star is to ensure that you and the team are getting the most value from that tool.

The tools that the team at Iridium use, and all of the tools in the Xero app ecosystem, aren't expensive. None of them cost thousands of Rands per user, but deployed and used correctly they have the potential to deliver thousands of Rands of value. But only if you're using that technology to unlock the full potential value that these tools can offer.

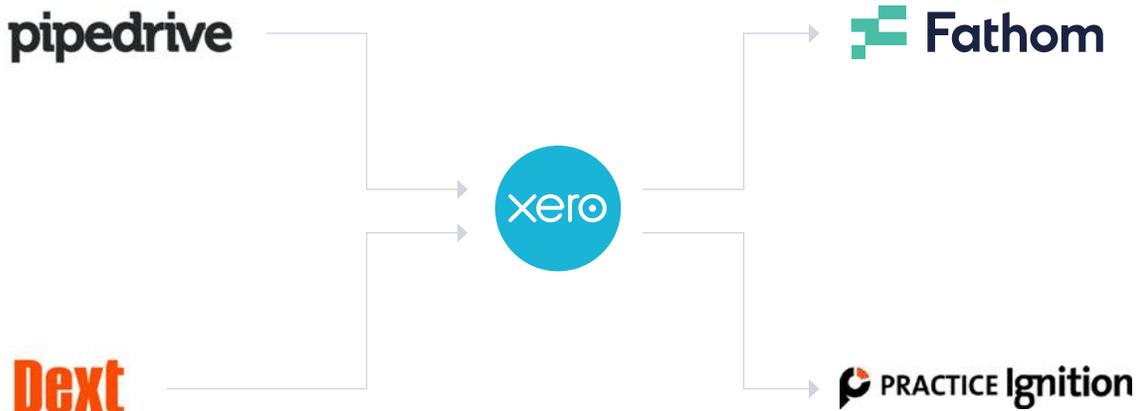
Have a few product champions in your team.

These are the people who can train other team members. Isolating your practice to one sole product champion is a business risk if that one person moves onto another opportunity.

Different tech tools will have different implementation processes for your clients. For example, Iridium gives clients Dext as it's really beneficial to their internal processes. They don't have to wait for every single client to email a photo of a receipt. Instead, they use Dext to get the information, meaning they can concentrate on delivering impactful business advice.

Iridium also doesn't charge their clients for Fathom as they see it as a differentiator for their practice. Fathom provides them with the opportunity to add valuable consultancy work to clients that need that extra level of advice. That, in their experience, is a much more profitable approach.

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Scaling

Will your tech take you to the next level?

Of course, the beauty of a technology solution is that it can scale, allowing you to replicate and deploy similar processes again and again. And with that comes greater efficiency to help you build your business into a bigger business.

As Peter says,

“Fathom allows for dynamic reporting and forecasting. It allows you to build out what you want in template format and then scale it across other clients at the click of a button. It’s also got pre-built templates. So for me, like with all of these tools, scalability is key.”

Iridium takes a non-negotiable stance with their app stack. Every client who comes on board gets the same solution: Xero, Dext, Fathom. If they want another tool then they aren’t going to be a client for Iridium. This lets Iridium keep pace with technological developments in the apps in its app stack, ensuring that they are subject matter experts and maximising the value that these apps offer. Having dozens of apps to keep on top of requires significant maintenance, routing time away from servicing clients.

At Fathom, we help customers scale at a pace that suits their practice and aligns with their wider advisory goals. Our roadmaps for clients, for example, help advisors use Fathom in new and innovative ways and expand their offering as the trusted advisor of the client. “Different advisors have different timelines and end goals. We collaborate with you to reverse engineer the roadmap to a time frame that works. That way, you can scale Fathom in your practice from several clients at the beginning, to the majority of clients at the end,” says Matthew Lowry, Fathom’s Head of Operations (EMEA).

This way, the advisor gets not only the most out of Fathom the product but also a more collaborative relationship with Fathom the company.

Plan out your desired end goal and what steps you should take to get to that goal, with timings and regular check-ins.

Review

Examine everything

Implementing technology solutions and processes in your firm is not a one-off task. You need to constantly review progress and results, making alterations where needed. This then feeds back into planning and becomes a flywheel.



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How often you should hold a review will depend on the size of your firm and how much of a priority becoming a technology-enabled advisor is to your firm. As a rough guide, anything that is not as frequent as every six months is perhaps not regular enough, anything that's more often than once a month is too much. You will want to strike the right balance between getting feedback regularly and iterating on the processes vs having lots of meetings for the sake of it when nothing has changed.

Ask staff members and customers for their feedback on the tools and processes.



Community

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Being part of the cloud community is very different from the wider accounting community, according to Peter.

“I’ve seen from a cloud account perspective, people are much more willing to share their knowledge, share what works for them and what doesn’t work for them. In South Africa, there are hundreds of thousands of companies. Our business couldn’t even tackle a few thousand businesses. So I play a small part in this greater whole of fixing the business community and helping drive SMEs forward. So I’d much rather help somebody else that’s also got the same vision and values that I have to drive things forward”.

There are a lot of social channels and groups with like-minded advisors helping each other for free. You can tap into this community resource and learn from others: pitfalls to avoid, strategies to consider implementing, and what apps could work for a certain process or task. Lean on the community around you for advice and for support as they’re more than willing to help.

The more people share, the bigger the community grows, and the more likely we’re able to actually solve the problem of unemployment and drive SMEs forward to help them thrive.

About Fathom



Fathom is transforming the way people create beautiful management reports and access timely business insights. We've helped thousands of advisors and business owners around the world to gain the valuable insights they need to make better business decisions.

With Fathom, you get a full suite of in-depth analysis, reporting and forecasting tools that help you see exactly how well your client or business is performing. You can monitor trends, design forecasts, and identify improvement opportunities quickly and easily. For more on what you can do with Fathom, and to try it for free for 14 days, visit fathomhq.com.

About Dext



Dext is driven by the unshakable belief that accountants and bookkeepers like you are the backbone of every successful business. And with an armoury of the best digital tools at your disposal, you can be even more relevant, useful and effective for your clients.

For more than a decade we've empowered accountants and bookkeepers with the smart and forward-thinking solutions needed to make businesses better. Today, through the Dext platform, those tools have become even more powerful and integrated to meet the demands of businesses right now. And the challenges they face tomorrow. Combined, these tools provide more time and greater insight, and will change the way you advise businesses for good.

About Iridium



Iridium is an accounting, advisory and automation firm that is passionate about making a meaningful difference to the unemployment crisis in South Africa. We believe in integrating technology with accounting practices to achieve the highest level of efficiency and accuracy. This allows us to provide better support and advice to our clients as they grow their businesses. We are always pursuing the latest technologies and focus on hiring young financial professionals who are passionate about SMEs. We believe that it is vital to form strong partnerships with clients in order to truly help their businesses thrive.