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# **CLOUD TECHNOLOGY ADVANCES THE ACCOUNTING PROFESSION**

## **A SURVEY OF ACCOUNTING AND FINANCE PROFESSIONALS**

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June 2018

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### Introduction

Accountants have always been on the cutting edge of business technology adoption. Their work with numbers, calculations, and details is a natural fit for the application of computing power. This began decades ago with the introduction of spreadsheets, when finance departments were often the first place in a company to use computers. Accounting teams continued to lead technology adoption with standalone accounting software and then integrated business systems. Enterprise Resource Planning (ERP) was one of the first types of large-scale enterprise applications to gain traction, driven largely by the needs of the finance team.

Accountants are again taking a leadership role in their organizations with the adoption of cloud applications. Cloud adoption followed a slightly different path since the initial security concerns about financial data in the cloud meant that for many organizations, it was the sales team who first adopted cloud with a CRM system like Salesforce (arguably driven by the demands of the CFO). But once security issues were addressed, finance teams quickly embraced the value of payroll, general ledger, bill payment, close management, and a wide range of other cloud applications. In the future, innovations in automation and artificial intelligence are likely to transform technology again, with financial teams that have significant data being a natural starting place.

So what has this aggressive evolution in technology meant for modern accountants and what does the future hold for them? This study investigates the real-world impacts of technology on the accounting profession. How are skills evolving? Are technology changes good or bad for the individuals working in the profession? Are there any differences between those that have embraced cloud solutions for their financial applications and those who haven't?

The following report, sponsored by FloQast, is based on an online survey of 506 accounting and finance professionals. The goal of this survey was to understand trends in the accounting profession, with a focus on the impact of technology and cloud applications.



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### Key Findings

- **Technology is changing the accounting profession**
  - 81% say technology, data, and systems skills are much more important than they were 10 years ago
  - 89% say technology changes are good for their career
  - 99.7% report that technology has had a positive impact on the accounting profession
  - 99% expect technology will change their job in the next 10 years
- **Accounting teams are embracing technology to help hiring challenges**
  - 85% face challenges hiring and retaining accounting talent
  - Top strategies for solving hiring problems involve investments in technology including adopting modern technology to enable staff to be more efficient (53%) and providing technology to enable remote work (49%)
- **Cloud financial applications are widely used, and very valuable**
  - 79% have cloud-based financial applications
  - 93% agree cloud financial applications help to scale operations
  - 81% report cloud financial applications increase job satisfaction
- **“Cloud accountants” are leading the way to the future**
  - They are more likely to view technology as good for their career
  - They are most likely to have changed the way they evaluate and hire talent
  - They are less stressed by their work

### Detailed Findings: Technology is changing the accounting profession

#### Technology, data, and systems skills have increased in importance for accountants

As technology has evolved in the past decade, so have the skills needed to be a great accountant. Many different types of skills have evolved significantly during this time with more than half of accountants citing business strategy expertise (58%), presentation and communication skills (57%), and experience with regulation and compliance rules (53%) as being much more important today than in the past.

However, the one skill needed to be a great accountant that has clearly changed the most dramatically in the past 10 years is expertise with technology, data, and systems. More than 4 in 5 (81%) say that this is much more important now than it was a decade ago.

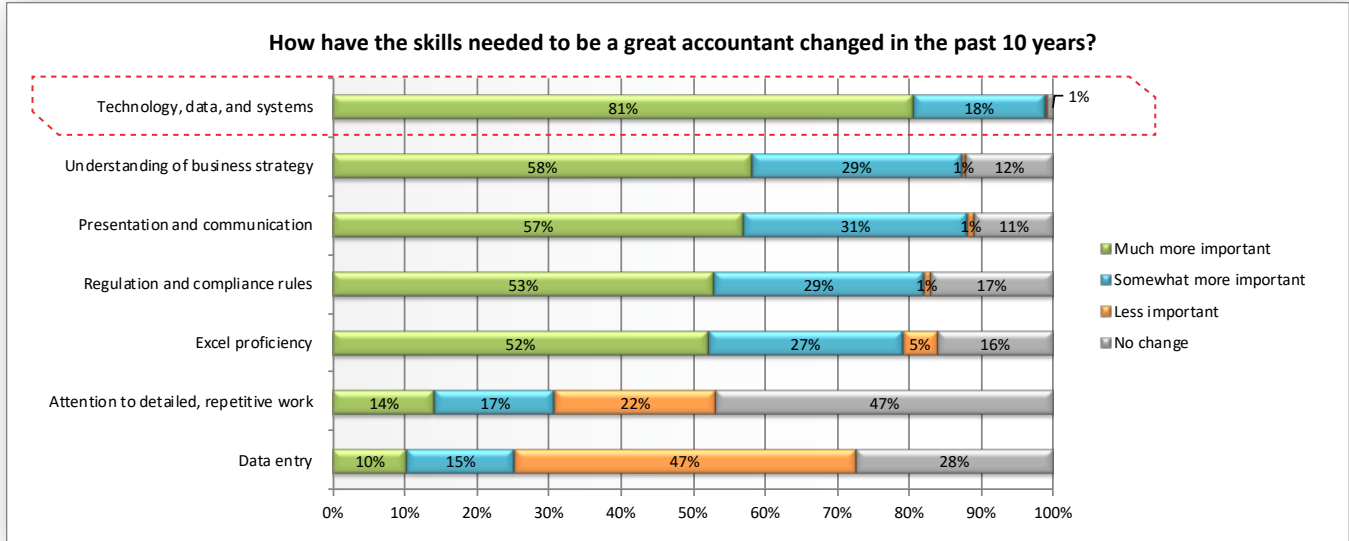
It is interesting to note that while almost half (47%) cited data entry as a less important skill now than in the past, more (53%) cited this as a skill that remains important for accountants. About a quarter (25%) actually characterized data entry skills as more important now than in the past!

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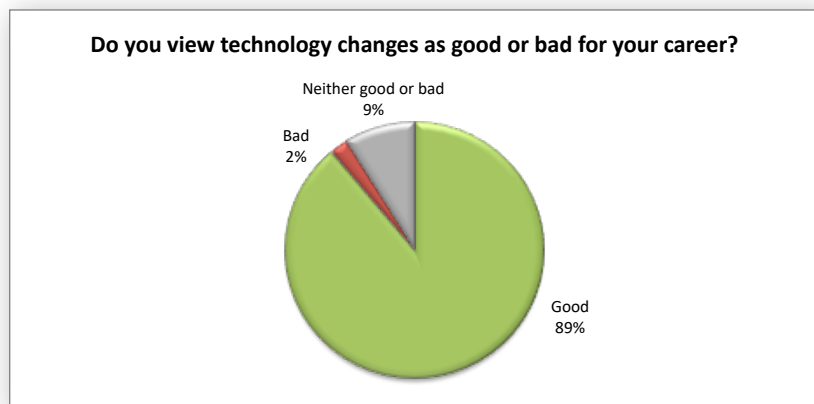


It may be surprising to learn that Excel proficiency remains a vital skill in spite of the sophisticated technologies that are available to modern accountants. Almost 4 in 5 accountants (79%) say that Excel skills are more important now than 10 years ago, with only 5% saying that Excel had dropped in importance in this same timeframe.

### Accountants are bullish about technology changes

Change is often scary, and it can be unpleasant to be forced to learn new skills mid-career. However, when it comes to technology, accountants are a clear exception and few have hesitations.

When asked about their perception of the impact of changing technology on their career, a clear majority (89%) characterized these changes as good. The accountants who viewed change negatively were a very small minority (2%).



Even the few accountants that didn't believe technology was generally good for their career could see that it was not all bad. Almost every participant (99.7%) found something good to say about the impact of technology on the accounting profession, with most seeing multiple benefits.

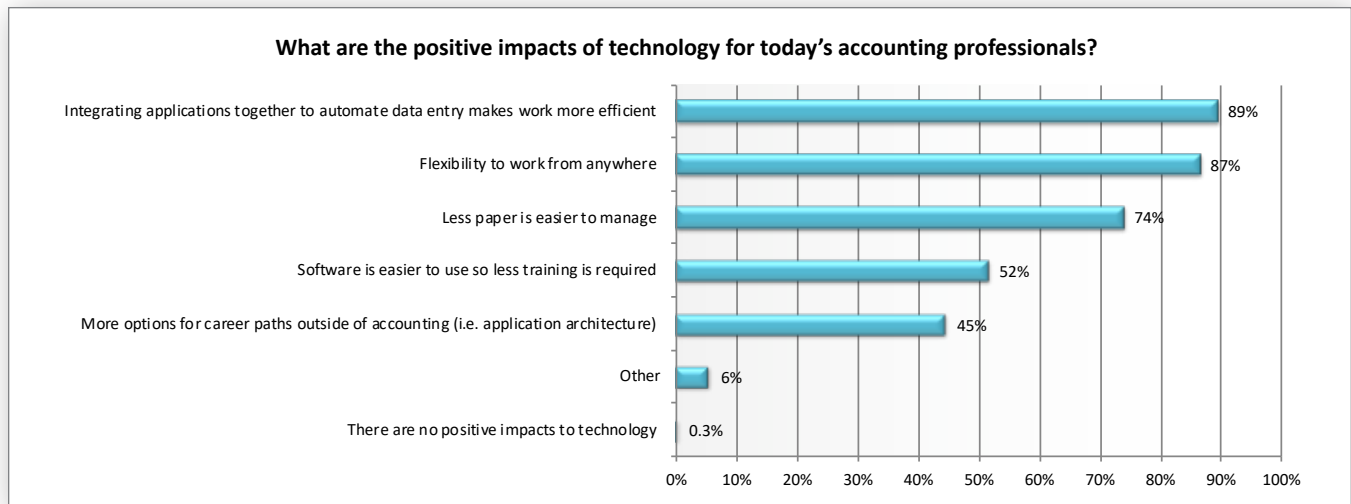
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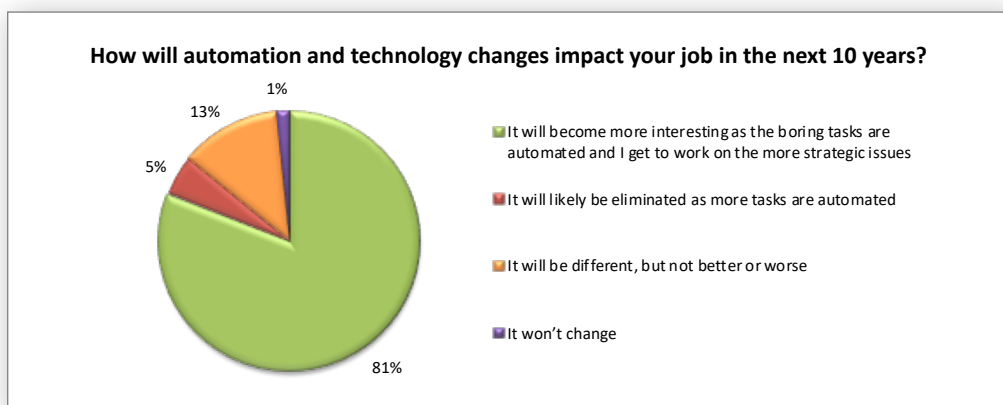
The positive impacts of technology reported most frequently included increased work efficiency because of automation (89%), flexibility to work from any location (87%), having less paper to manage (74%), and requiring less training as software has become easier to use (52%). Technology is also credited with offering accountants broader career options in areas such as application architecture (45%). Several participants took the time to write in “other” options including reduced errors, more time for strategic work, having better controls, and improving the ability to do data mining and analytics. Very importantly, multiple individuals emphasized that technology has helped accounting and finance professionals become more valuable to their organization.



### Technology will continue to change accounting in a good way

Worries about a changing future can be difficult to deal with. It would not be surprising to learn that accountants are worried about the impact of additional automation or other technology on their livelihood. However, this research shows that is absolutely not the case. Any stories about how accountants are all scared that their jobs will be lost to automation can be chalked up to “fake news” as only a handful (5%) report that concern.

While there is broad agreement (99%) among accountants that technology will have an impact on their job in the coming years, most of these (81%) are positive about those changes, reporting that they think their jobs will become more interesting as boring tasks are increasingly automated.



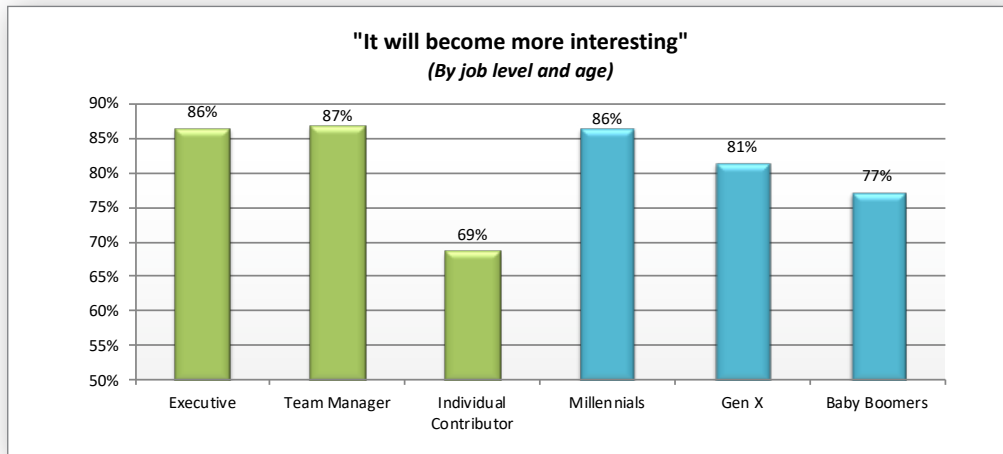
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While accountants of all job levels and generations are mostly positive about the impact of automation and technology, there are some differences in the level of their enthusiasm. Young millennial accountants are more likely to believe technology will improve their jobs (86%) than their more experienced baby boomer counterparts (77%). Conversely, individual contributors doing the frontline work are less bullish about the impact of technology on their job (69%) than their managers (87%) or executives (86%).



## Detailed Findings: Accounting teams are embracing technology to help hiring challenges

### Hiring and retaining accounting talent is increasingly difficult

Finding great talent can be a significant challenge for any hiring manager. Accounting is no exception. This is a problem across the board with the majority (85%) reporting that they face difficulties hiring and retaining accounting talent. Finding candidates with the right skills is the top issue reported (53%), followed by lack of employee commitment (44%).

As companies become more creative in their attempts to hire and retain great talent, hiring becomes more challenging due to competition in offering a compelling work environment (38%) and non-traditional benefits (37%). Fortunately, only a few reported that great talent is being priced out of their budgets, with less than 1 in 5 (17%) saying that they struggle with salary demands that are too high.

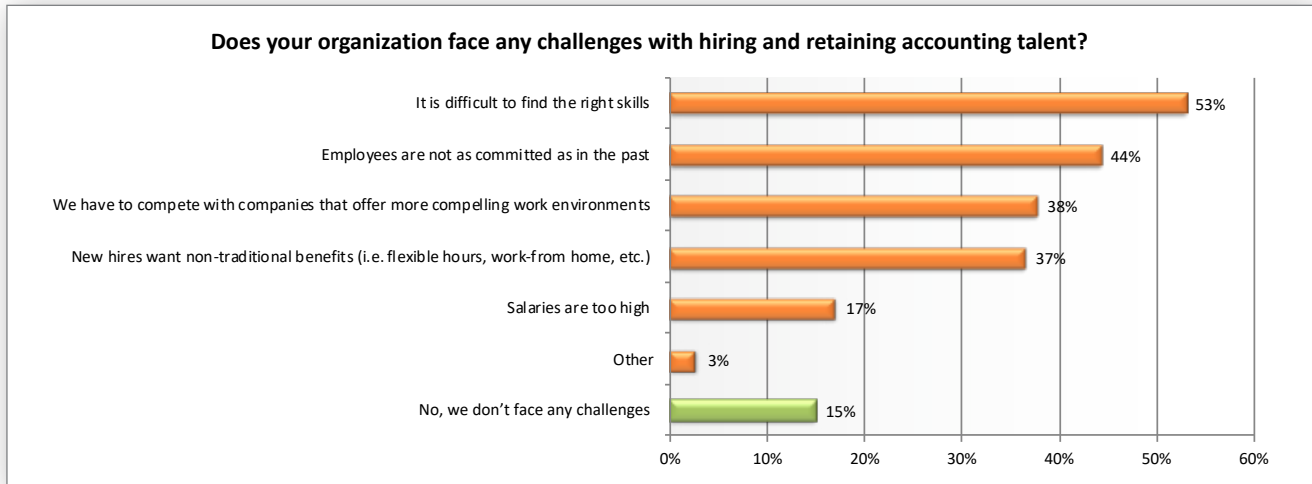
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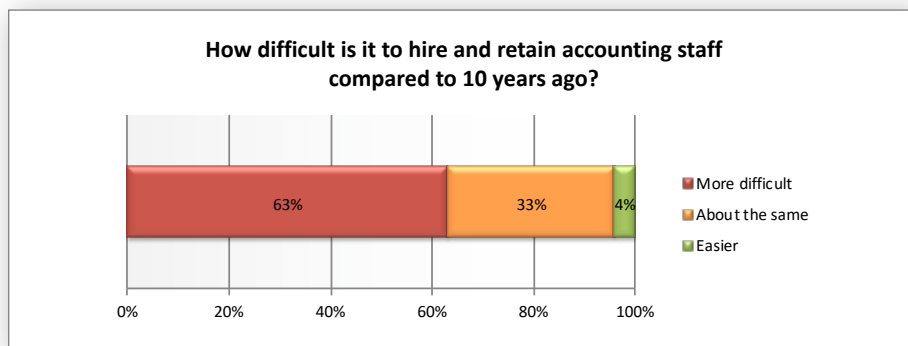


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The level of frustration in this area is reflected in the wide range of “other” challenges that participants took the time to articulate. These included a lack of advancement opportunities for employees, high training costs, special difficulties finding talent in rural areas, frustration among new hires that want fast upward or lateral mobility, as well as low levels of motivation among job candidates.



Since hiring has always been challenging, we need to put these findings in context and understand how today’s hiring difficulties compare to the past. There is general agreement that hiring and retaining accounting staff is harder now (63%) than it was 10 years ago. Only a handful (4%) believe hiring is easier than it was then.



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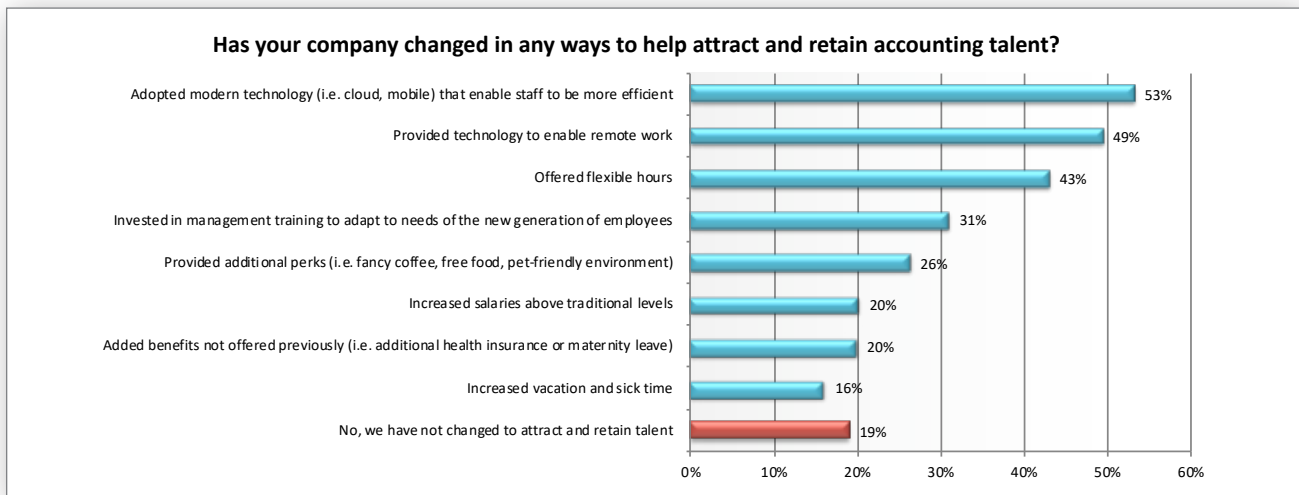


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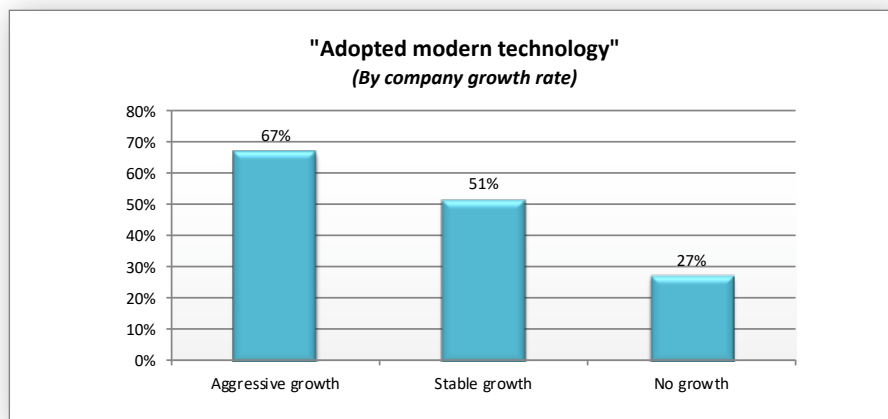
### Technology adoption is key to talent acquisition and retention

Accounting and finance teams are taking significant steps to help attract and retain great accounting talent. Many of these approaches include traditional human resources offerings such as increased time off (16%), higher salaries (20%), additional perks (25%), or management training (31%).

However, technology has taken a clear lead in the efforts to hire great talent. The top two ways that accounting teams report they are attracting and retaining talent are with technology investments, including adopting modern technology such as cloud that enables their staff to be more efficient (53%) and providing technology to enable remote work (49%).



It is not surprising that there is a direct correlation between the use of technology to solve hiring challenges and the growth of the company. High growth companies are more than twice as likely to report that they have adopted modern technology to solve hiring issues (67%) as their counterparts at companies that are not growing (27%).





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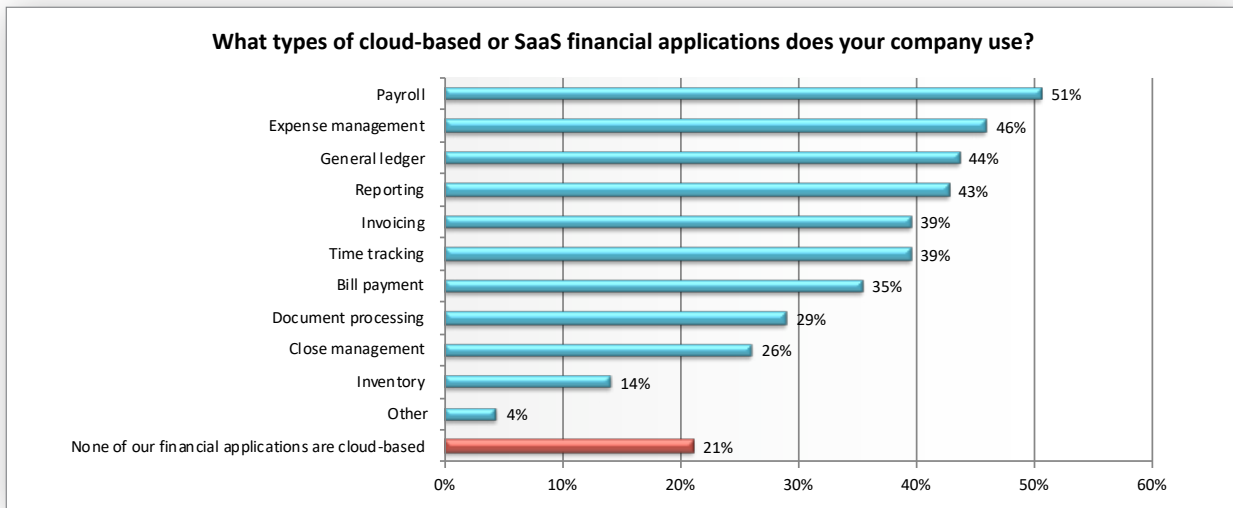


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### Detailed Findings: Cloud financial applications are widely used, and very valuable

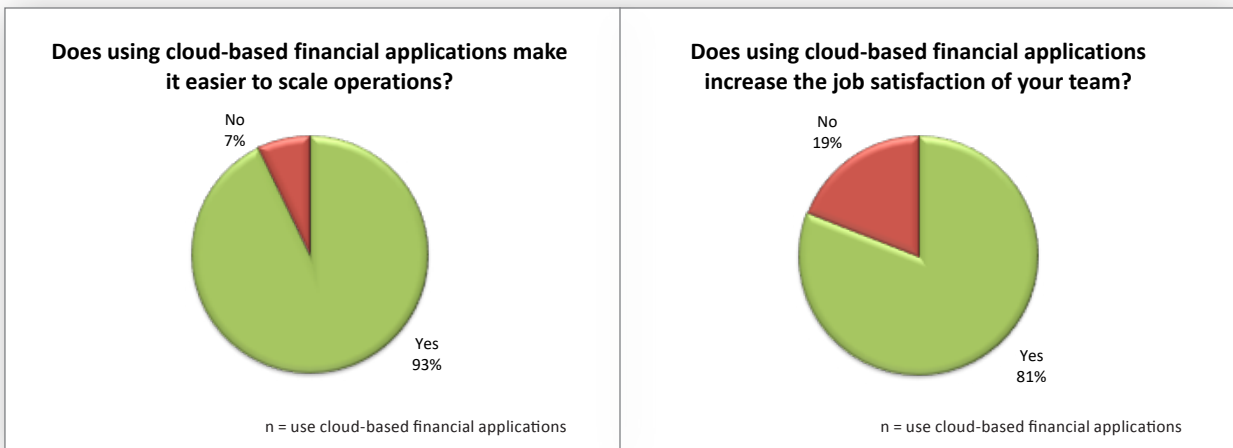
#### Most companies use cloud financial applications

The use of cloud-based (also referred to as SaaS) financial applications is ubiquitous among accountants. Almost 4 in 5 (79%) report use of financial cloud applications. Interestingly, there is no single type of financial cloud application that is used most commonly. There is a tremendous mix that includes payroll (51%), expense management (46%), general ledger (44%), reporting (43%), invoicing (39%), time tracking (39%), bill payment (35%), document processing (29%), close management (26%) and more. “Other” cloud-based financial applications reported included tax and budget development.



#### Cloud applications have clear benefits

Users of cloud applications are very positive about the use of these solutions, particularly in areas of scalability and employee satisfaction. Among accountants that use cloud-based financial applications, there was broad agreement that these applications make it easier to scale operations (93%) and that their use increases job satisfaction (81%).



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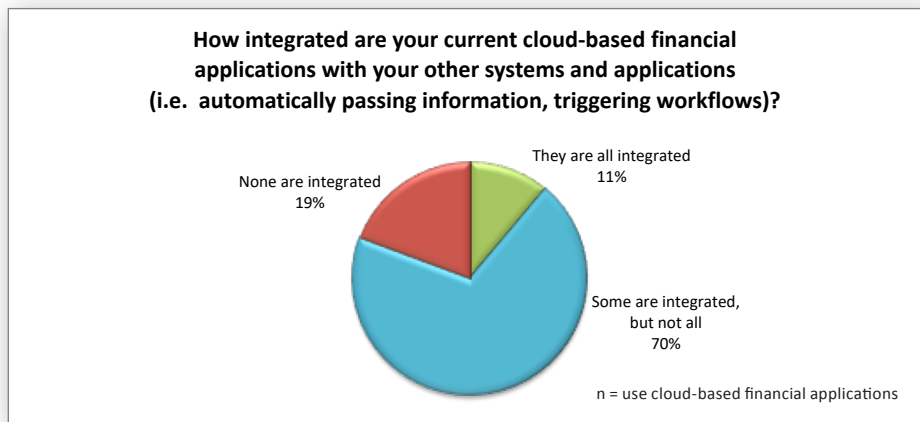


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### Detailed Findings: “Cloud accountants” are leading the way to the future

#### Introducing the cloud accountant

While there is wide adoption of cloud financial applications and accountants are clearly seeing direct benefit, there is potential to do more. One area where there has been only limited progress is with the integration of financial applications, for example by automatically passing information or triggering workflows. Integration is an area that is particularly important, as it can deliver massive productivity increases. But among those that use cloud financial applications, only 11% report they are fully integrated with other systems and applications.

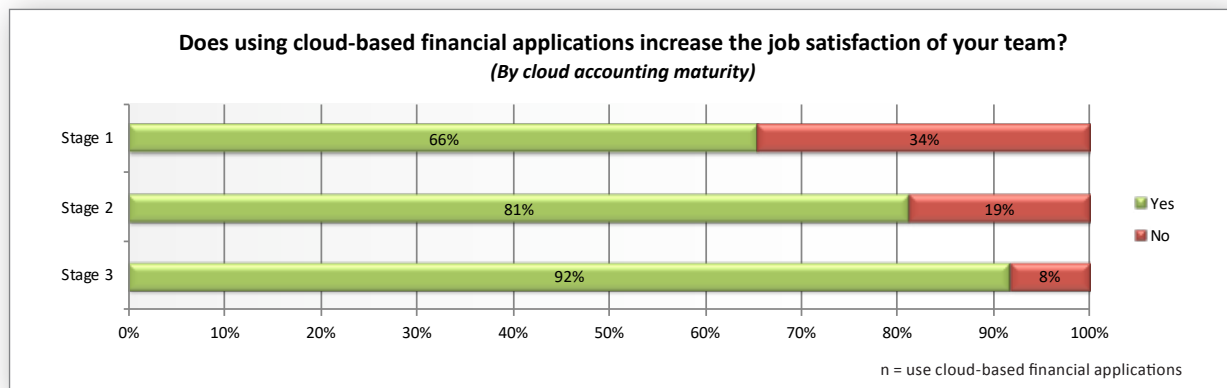


To evaluate the impact of integration, we investigated differences between four stages on the journey to cloud accounting:

- Stage 0: No financial cloud applications
- Stage 1: Financial cloud applications are **not integrated**
- Stage 2: Financial cloud applications have **some integration**
- Stage 3: Financial cloud applications are **fully integrated**

#### Cloud accountants have better job satisfaction

There is a clear connection between cloud accounting maturity and the impact that cloud-based financial applications have on the accounting team. Fully integrated Stage 3 cloud accountants are much more likely to say that their cloud applications have a positive impact (92%) than those at Stage 1 that have cloud applications but have not integrated them (66%).



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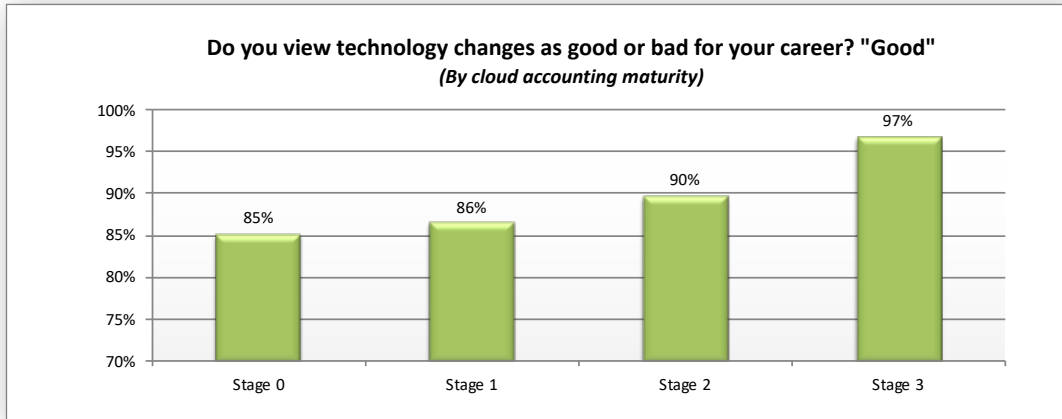
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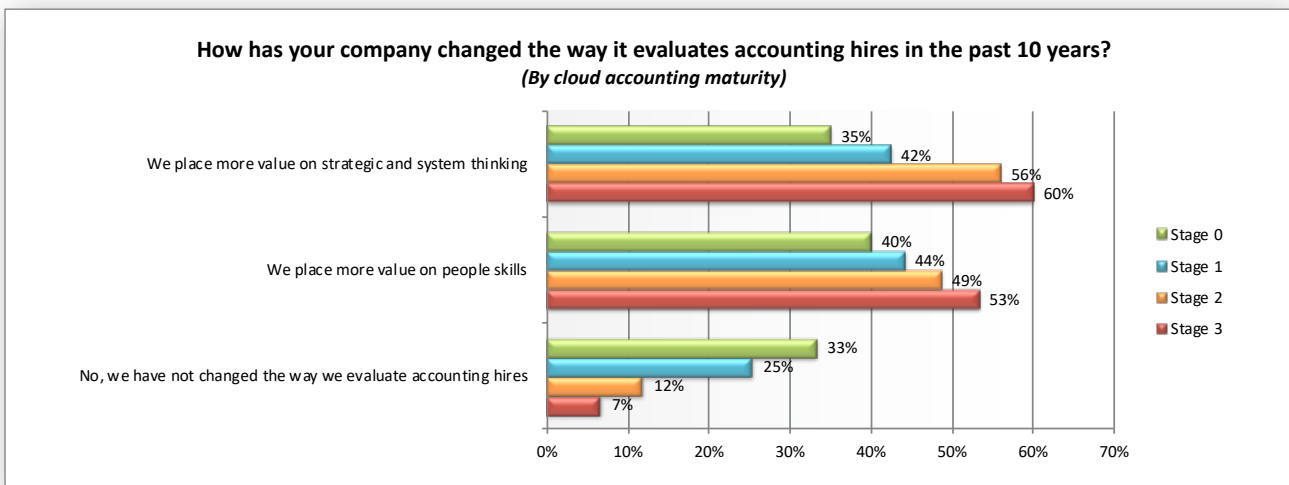
### Cloud accountants most likely to view technology as good for their career

Being further along the journey towards fully integrated cloud financial applications has a clear connection to the perception of technology on career paths. Almost all (97%) of Stage 3 cloud accountants characterize technology as good for their career while only 85% of Stage 0 accountants and 86% of Stage 1 accountants said the same.



### Cloud accountants are most likely to have changed the way they evaluate new hires

Cloud accountants also hire differently, and not just when it comes to technology-related issues. The further they are on their journey towards fully integrated cloud accounting applications, the more likely they are to have changed the way they evaluate hires (93% vs 67% of Stage 0). Specifically, cloud accountants were more likely to report they placed a higher value on strategic and system thinking skills as well as people skills.



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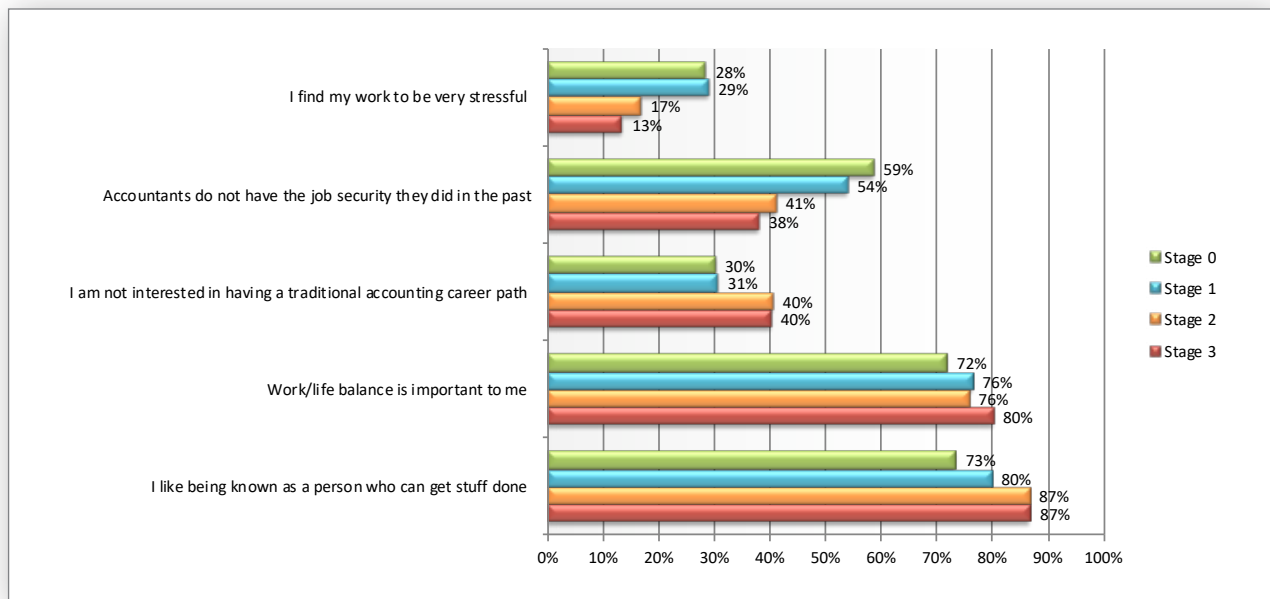


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### Cloud accountants are different

The cloud accountant views work very differently than his or her traditional colleagues. These individuals are the least likely to find their work stressful. They are also the least likely to think that the accounting profession is at risk of losing job security. And cloud accountants are more likely to say that the traditional accounting career path is not interesting.

It is also fascinating to note that while cloud accountants are the most likely to say that they like to be known as a person that gets stuff done, they are also the most likely to say that work/life balance is important.



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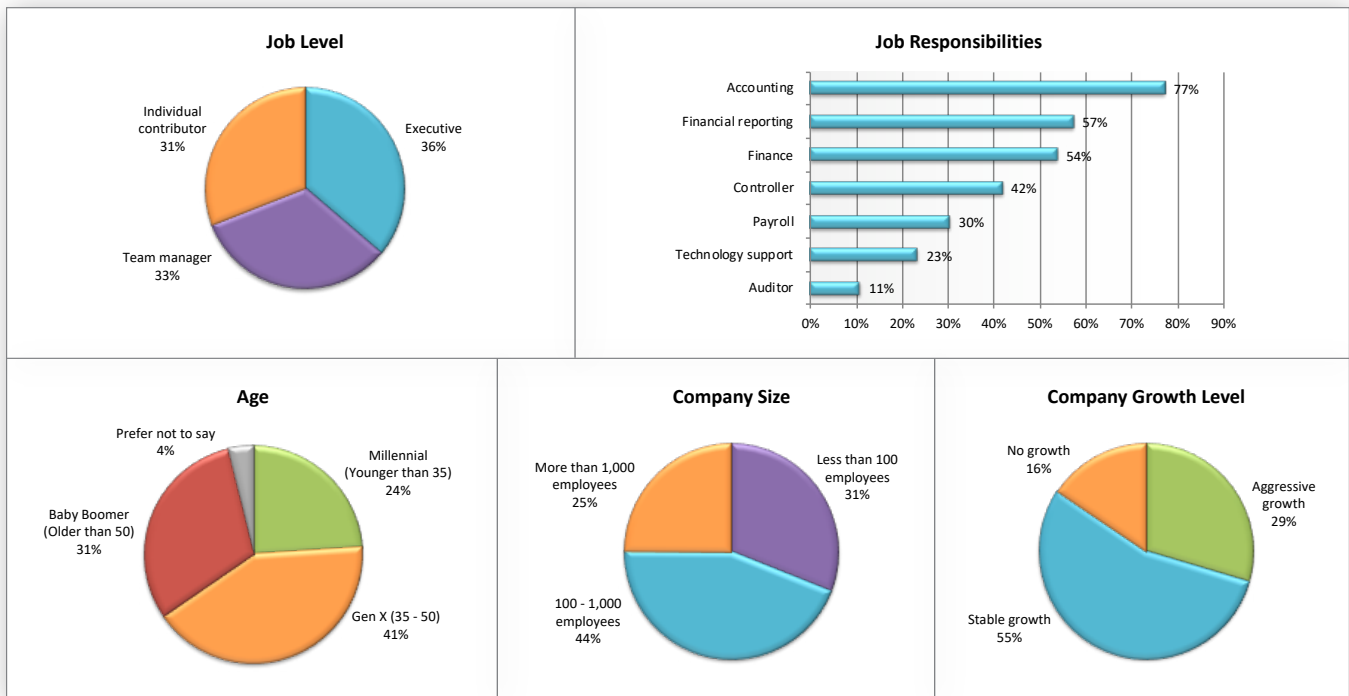


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### Survey Methodology and Participant Demographics

Accounting and finance professionals were invited to participate in an online survey on the topic of technology and the evolving accounting profession. A wide variety of questions were asked about attitudes and experiences with the accounting profession and use of technology. The incentive for participating in the survey was a copy of the final report.

A total of 506 accounting and finance professionals participated in the survey. A wide range of job levels, work responsibilities, and company sizes were represented. Participants in this global survey came primarily from the United States and Canada, but there was participation from around the globe including Europe, Asia, Australia, the Middle East, Africa, and Latin America.



### About Dimensional Research

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### About FloQast

FloQast is award-winning close management software, created by accountants for accountants to close faster and more accurately. On average, accounting teams who rely on FloQast close three days faster. Seamlessly integrated with ERPs and leveraging your existing checklists and Excel, FloQast provides a single place to manage the month-end close and gives everyone visibility. The cloud-based software is trusted by hundreds of accounting departments, including those at Door Dash, AdRoll, Indeed, Shopify, Ancestry.com, Twilio, Dollar Shave Club, Zillow and The Golden State Warriors. Join the conversation on Twitter at [@FloQast](https://twitter.com/FloQast).