

Practice Management

The What, Why, and How of Cloud Computing for SMPs

by Paul Gisby, Manager Accountancy & Tax, Accountancy Europe | February 8, 2017 | 

Accountancy Europe recently published an information paper, *Moving to the Cloud*. The paper examines the what, why, and how of cloud computing for accountants working in small- and medium-sized practices (SMPs). It addresses potential benefits and pitfalls of cloud computing to help SMPs remain relevant for their clients, which are mainly small- and medium-sized entities (SMEs).

Cloud-based computing is important for SMPs because it is important to their clients. Clients are increasingly demanding robust accounting tools that allow them to access and manage their data in real time and facilitate mobile computing. Moving to the cloud is the best way to satisfy these demands and accountants must be ready to adapt to this new paradigm. Cloud computing is not a perfect solution and there are both potential benefits and pitfalls from moving online. However, such a move is inevitable for SMPs if they wish to remain relevant to their clients.

Data storage is still perhaps the most widely-used cloud-based service, but there is an increasing range of online hosted-software services of use to SMPs and their clients. Online accounting and tax return processing applications are well known examples, but practice managements systems and customer relationship management systems are amongst those packages also migrating online.

In the paper, we outline several potential benefits for SMPs moving to the cloud.

- It can help SMPs upgrade their service level by getting real time information allowing for an instant picture of business performance and tailored advisory services to their clients.
- The nature of services SMPs provide to their clients is changing. Accountants will be ideally placed to interpret information and Big Data and use it to help design analytics (including key performance indicators or dashboards) corresponding to the client's specific business needs.
- SMPs will be able to offer their services at a lower cost. Administrative and in-house IT support costs will decrease as online services are updated and backed-up automatically. Via online accounting software, customers and vendors can enter their data directly into the system, which will minimize the time spent dealing with clients' administration and data entry.
- It will improve flexibility as access to information will no longer depend on location. SMPs will be able to service their clients from any location, and it will also allow for a more flexible working environment —remote working will become much easier.
- It offers smaller companies access to services and tools, such as Big Data analytic tools. Also, SMPs using online applications can employ "chunkification", which means choosing an application's key features that a business really needs and then linking them to other "chunks" offering other key functionalities.
- As more and more clients use cloud technology, embracing the change will not only keep SMPs relevant, but it also may bring new international clients and business partners and attract young talent.

Finally, the paper sets out the 5 Steps to the Cloud, which gives an overview as to what SMPs should keep in mind when moving to cloud computing. If you are interested in the impact of technology on the accountancy profession, please join our Digital Day on March 29, 2017 in Brussels, Belgium.

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