



# BIG IDEAS IN TECH: HOW BUSINESS IS SET TO CHANGE

Insights from the CPA Australia Technology, Accounting and Finance Forum 2015

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## Introduction



One message loomed large over the CPA Australia Technology, Accounting and Finance Forum 2015 in Sydney: embrace the cloud or get left behind.

The experts were in deafening agreement – fears of losing work to customers willing to DIY, worries about traditional job roles changing, or concerns about online security must come second to the benefits of the cloud.

Attendees at the two-day conference in August were surely left in no doubt that now is the time to use cloud software to improve efficiencies and gain deeper insight.

However, automating, integrating and communicating in new ways requires a shift in mindset and operations. With the right approach, it was clear that productivity, speed, advice and costs could all be improved. The result is the chance to be proactive, rather than reactive, for clients.

This eBook – *Big ideas in tech: how business is set to change* – brought to you by SmartCompany and CPA Australia taps into the most innovative messages from the event, exploring how and why businesses need to ‘think tech’ to reach new heights. You’ll also find a special feature from CPA Australia’s magazine, *INTHEBLACK*.

Written by: **Melinda Oliver**

## Chapter 1. Cloud power: the ticket to productivity



Perhaps it is something about the name 'the cloud' that makes it mysterious – hinting at data floating in the sky just waiting for unscrupulous hackers to catch it. Attendees at the CPA Australia forum had questions about its security, such as where data is stored, how it can be accessed and what this means for business and clients.

However, the experts made it clear that it's time to take the plunge. Cloud technology is the most critical advance that businesses need to understand and optimise to remain relevant and competitive.

Andrew Kupetz, director and CTO cloud computing at IBM Australia, says something profound is occurring in technology: "If we think about IT 1.0... suddenly we were able to do automation... then IT 2.0 was the internet and it was about connectivity... I think we're in IT 3.0 and that comes under the banner of cloud computing, a world now that can compose itself... it is the industrialisation of business and IT, it has finally come to what we have been promised for decades."

Telstra general manager cloud strategy and platforms Tim Otton says the flood of open-source software and application program interfaces (APIs) now available means businesses can piece together solutions to complex problems, resulting in deep insight into very complicated sets of data.

"APIs can change your industry when you put your mind to it, all on cloud, all on open source [software]," says Otton, who goes on to note that these APIs and algorithms can potentially draw from unstructured data, such as video or social media.

"What about if video comes in... how does that video translate colours or voice into something meaningful? This is the sort of advanced analytics that is happening. It is a level of insight beyond what we can imagine today... this is what is open to you if you can catch the wave and get in front of it and offer those insights."

Kupetz says it's also about thinking without limitations. "What service can I offer globally? Your marketplace is the world – whatever you want to expose as a service, with a credit card, you can push around the world and become an enormous business."

## Cloud security: the concerns and the solutions

Digital First editor Sholto Macpherson says the cloud's ability to offer economics of scale shows it has moved from a supporting role to being "front and centre of how people run their business".

But what does this mean for security? The experts point to the immense expense the big providers put into testing cloud security with ethical hacking and building secure data-hosting locations.

Kupetz says that if you make sure your data and your solutions are architected properly, it is more secure: "Can you imagine the hackers that are working against the IBMs and Amazons daily... we [IBM] have 6000 security personnel and the amount of effort that goes into that, with ethical hacking, would be impossible to do in your office."

Many questions are asked about where cloud data is stored. Kupetz says it can be in shared or private data centres around the world:

*"We often think the cloud is that thing 'out there', infrastructure that is in the public arena [but] it can be 'on premises' inside your company."*

"It is regulated, or in a private cloud in public [not shared machines], and then there is the fully shared public cloud."

Macpherson says small businesses can have an overrated belief in the security of their traditional software systems. He reminds businesses that if they have a computer connected to the internet it is at risk.

"SMEs spend as little on technology as they can; whereas these companies [large-scale cloud providers] spend an awful lot on security, as if that goes then they lose their business."

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# Big ideas in tech: how business is set to change

## How the cloud is changing the way we work

The key to the cloud is connectivity, real-time data and the ability to forecast, rather than be reactive to issues, the experts explain.

But what does this look like on an operational level? For many sectors, such as accountants, it will change the nature of relationships with clients.

Intuit Australia managing director and country manager [Nicolette Maury](#) says the cloud has shifted consulting businesses into a real-time service: "In the old way, you used to have a small business come in to you and say 'here is what I did over the past year, here is my shoebox of paperwork that you can now deal with'. Now what the accountant is able to do is have access to that real-time information – they can actually call the client and say, 'hey, I have noticed things are looking a bit fishy, have you thought about doing it this way?'"

This concept of being a virtual CFO to businesses is growing across all forms of consulting. "It enables them [accountants] to be more proactive... and enables them to be genuine advisors rather than just doing compliance work," says Maury.

*"The virtual CFO can keep track, plan ahead, look at what you should be doing in the next 12 to 24 months to achieve your business goals [whether that's to] grow, stabilise or exit."*

Reckon Australia and New Zealand managing director Sam Allert says it is not just about the ability for external advisors to check on a business remotely, but the mobility that the cloud enables business owners and teams. It means they can log into data from anywhere, anytime.



## Saving time and capturing data: the benefits of the cloud

On a very practical level, cloud software should save time on tedious tasks. Scanning receipts so data can be auto-filled into software, or creating analytic reports for clients at the touch of a button are basic examples.

Receipt Bank's ANZ country manager Sophie Hossack says the Receipt Bank product is designed to cut manual time and ensure information is scanned from receipts, processed by the software and distributed instantaneously. It integrates with Xero, QuickBooks and other accounting software.

*"The original premise was, if you have a stack of invoices on your desk, who is going to then key in that data?" she says.*

Practice Ignition is another application designed to enable efficiencies. Cofounder and territory manager (APAC) Guy Pearson says it smooths out client lifecycle management, with touch-points along the way for cashflow, referrals, additional services and invoicing. "The idea is to move the paper-based process online," Pearson says.

While some might argue the human touch is important, or these efficiency applications are costing jobs, the key is refocusing time and energy to do value-adding work.

Pearson says this reallocation can be useful when clients start to realise the benefits the technology enables: "As you start to offer more to clients, they start to ask for more... it all changes to a management conversation and you are looking forward."

Maury says the ability for cloud technology to capture and make sense of data is one of the core advantages for business: "It is hard to give advice unless you have good, solid data. It is a combination of small business having access to their own data and the analytics tools so they can access data, and the accountants having access to that data in a way that enables them, particularly those that are, for example, in different industry sectors, to be able to provide more holistic information based on the data.

Pearson says the key is having visibility of the whole business at once: "From a reporting point of view, the ability not to just meet your financial KPIs, drawn from your accounting system, but to access your non-financial KPIs, your operations, your people and your customers, and pulling all that data from all these other apps in the ecosystem, is what we are excited about in the future."

MYOB accounts division general manager Adam Ferguson says as traditional roles shift with the cloud it will lead to a change in billing models:

*"By moving into the cloud we are seeing accountants engaging, even within compliance, on a weekly, monthly basis."*

Rather than billing clients by the hour, long-term partnerships will become more common. Macpherson calls it the 'subscription economy' with set monthly fees a likely outcome.

## Chapter 2: Top tips for moving to the cloud



It is clear that implementing new technology is vital, but it is not always smooth. These three experts from different-sized businesses give their top tips for integrating new technology into the workplace and sharing that change with clients.

### 1. Phil Marendaz, managing director Marendaz Accountants and Business Consultants

Marendaz says he is for new technology, always experimenting with better processes. His attitude is to ensure clients keep up, and to help them understand the reasons for change.

“We sit down and have tough, straight conversations with our clients... we say, ‘we want you on the cloud and here are the better value reasons why, it will be better handling of your fees and better value in other areas’.”

### 2. Jacquetta Griggs, financial controller Sturrock and Robson Australia

In 2011, mining business Sturrock and Robson Australia upgraded its enterprise resource planning software (ERP) but could not find a cloud provider that could communicate clearly about where it housed data, and how the software could grow with the business.

They opted for a server-based solution, but Griggs says it hasn't been able to facilitate all the company's needs as it has grown. She feels it was a missed chance to get a cloud solution, and challenges providers to be ready to answer the tough questions from businesses.

Likewise she advises businesses to ask what they need their ERP to do for their organisation and encourages people to get buy-in from different roles across the company to ensure it is the right system for each step in the cycle.

### 3. Tanya Titman FCPA, founder and managing director Consolid8

[Accounting firm Consolid8](#) is 100% cloud and paperless. Titman says rather than using just one software supplier, it can choose the best of each product: “The costs of operating are significantly less. And maintenance is less.”

She is comfortable with the level of security the cloud allows: “I think data held on USBs is far less secure than cloud. I feel comfortable and I tell that to my clients, but I am not going to enforce that in any way.”

Titman advises companies to train staff well in upgrades, and to ensure the internet provider has great capability to facilitate fast service and high volumes.





## Threats to watch: cyber security and fraud

Whether businesses engage with cloud software or more traditional applications, the digital age and sheer volume of data gathered and shared online means they must be alert for security breaches.

Australian Cyber Security Centre assistant secretary Joe Franzi has seen every attempt by hackers, and declares we are in a hostile environment. He warns that hackers are not just 16 year olds playing around, but sophisticated syndicates: "Many organisations think that if they've got anti-virus software they are good to go... they give you some protection but not the full-spectrum protection that you need."

### How are you targeted?

Businesses are usually targeted through a text or email that appears legitimate, but contains a malicious virus. When opened, it gets into the system and causes strife. If dealing with sensitive information on email, it is wise to investigate encryption methods.

"More organisations are offering encrypted email... as to whether one solution or another can be broken, the answer is no-to-yes and everywhere in between," says Franzi. "If you think you've been hacked, while there is no mandatory reporting system in Australia, it can't hurt to report the incident to the Australian Cyber Security Centre."

## Top tip: Cloud Security

Franzi says when looking for a cloud software program it's important to check contracts and ask how the data is really protected. The Australian Cyber Security Centre has put some cloud providers through their paces to test for security – check out the list of [Australian Signals Directorate \(ASD\) Certified Cloud Services](#).

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## Chapter 3: Marketing and lead generation: savvy ways to grow customers

While the cloud is disrupting how businesses operate, digital media and marketing has enabled them to reach out to customers like never before. The key is having a clear communication strategy and connecting with people in a way that enhances your brand.

Telstra Business general manager marketing Jarther Taylor says decisions are made online before a potential customer even comes close to speaking with your company.

“The traditional business development strategy – meeting people, going for a coffee – is hard to do, it doesn’t scale if you are trying to grow your business. So hence we end up with digital marketing.”

### What should your website look like?

Taylor calls a business website a professional shopfront online: “People will look at it as a source of trust on whether they believe you can deliver on your promise or not.” As a hub where all digital marketing points it must have:

- A responsive design for different platforms – think mobile first – as 60% of Australian web traffic is now mobile
- Short pages with accurate spelling
- Clear navigation and working links
- Clear contact information and a call to action

Amid the plethora of business websites, it is vital you can be easily found. This is where search engine optimisation (SEO) is invaluable. This could be achieved through a well-coded website such as WordPress, fresh and original content, quality web links to other businesses, well-crafted display banners, or a clever pay-per-click advertising campaign through Google AdWords or paid advertising. “The solid focus is to get someone to click,” says Taylor.

### Getting social and connecting with customers: create a digital campaign

Taylor says once potential clients are at your site, having a clear call to action is vital in order to achieve customer leads. When customers provide their details, he says to ‘wash the data’. This means verifying it is a real person (not a hacker), and ensuring the information is accurate. You need to decide if an enquiry is a ‘warm lead’.

*“Not everyone is a warm lead... will you nurture them, share additional content, your point of view on new legislation or something that is in the news?” he says.*

When clients make a query, ensure they get information back immediately through an automatic acknowledgment email, says Taylor, and follow up with another email a few weeks later with an interesting fact or question. “With small tweaks, it does have an impact [on lead conversation rate].”

# Big ideas in tech: how business is set to change

Customer relationship management (CRM) technology is essential to ensure that communications with clients are well managed, Taylor explains.

When choosing a CRM system, Taylor advises companies to only use a cloud-based system as “you don’t want to get involved in software and maintaining a server”. Secondly, ensure it offers the analytics and reporting that can give the valuable customer insights you need.

*“It is impossible for you and all of your staff to remember every detail about your customers. A CRM enables you to capture your interactions.”*

A social strategy needs particular mastery, Taylor says. The idea is to pick which networks you are comfortable with, such as Facebook, Twitter or LinkedIn, and use them well. Short blog posts on a topic relevant to your industry can help drive traffic. “Find something in the news that you have an opinion about, write 200 words and load it to your page.”

When it comes to how much to spend on digital campaigns, it is about optimising the “cost per acquisition” of a new customer. Taylor says the trick for businesses is to think through the overall value of a customer long term, as this answer can help determine spend.



## A quick guide to communicating with clients

Brad Howarth, a contributor to CPA Australia's *INTHEBLACK*, says communicating with clients used to be easy. Here are a few key questions to keep it simple.

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### 1. How will you get your message across?

Asking for a preferred communication method is essential when establishing a relationship, and should be mandatory on your company website's contact form.

Generally speaking, email is less intrusive than the phone. That said, many people complain about the volume of email they receive. Email is still great for newsletters and non-specific communication, and cheaper than physical mail.

Many inboxes are stuffed with unread e-newsletters. Make sure they are relevant and interesting – would you read it? The online email service MailChimp reports that Thursday is when people are most likely to read a newsletter, especially around 10am. Don't send emails on Friday afternoon – no one wants to be thinking about work then!

### 2. What does your message need to achieve?

For specific discussions, the back-and-forth of email can get out of control, whereas a phone call can sort out things quickly.

If you disagree with a client or have difficult news to deliver, a call is a good way to diffuse the situation and give your client the opportunity to ask questions. SMS is a great way to remind people of appointments or an outstanding bill – and is often less embarrassing than being told via a phone call.

### 3. How are you answering your customers' needs?

Revenue growth, new hires or moving to a larger office are trigger points for telling clients about additional services that might now be appropriate.

Segment your database and tailor newsletters to the needs of client groups, such as discussing relevant industry-specific developments. This shows clients you know them and can match their needs – sometimes before they know they have them.

### 4. Is social media an option?

Social media tools present great opportunities for reaching a broad audience. LinkedIn is brilliant for spreading news announcements and blog posts. Try to always post before midday to catch lunchtime readers.

A company Facebook page is especially worth maintaining as 12 million Australians use Facebook every month.

According to [a study by CPA Australia](#), only 46% of Australian small businesses are using social media for business compared with 94% in China, and as a result, CPA Australia's business policy advisor Gavan Ord says Australian SMEs are missing out on potential business.

"They are missing out on not just other markets outside of Australia, but they are missing out on markets in Australia that are more connected. And they are missing out on market intelligence on their business."

## Chapter 4: Business in 2030: what will SMEs look like?

Technology in 2015 is about the cloud, mobility, automation and freeing up time to be more productive. It's about gathering data, analysing it and using the results to make better business decisions for growth. Also vital is having a great website and digital communication strategy, and communicating in a meaningful way.

*SmartCompany* editor Cara Waters asked a panel of experts what business will look like in 2030, and their answers indicated there are no limits.

Wolters Kluwer Asia Pacific chief executive officer Russell Evans says the velocity of change over the next 15 years will be dramatic and advises businesses to prepare for volatility, uncertainty, complexity and ambiguity, or 'VUCA'.

Evans is confident virtual reality will go from the realm of computer gamers to business, with team members wearing the equivalent of Oculus virtual reality headsets to hold conferences with staff in different locations.

### The Internet of Things

Telstra director capability and innovation Michael Ossipoff says 2030 will be all about mobile. Connections will not just be between people, but device-to-device as we move into the Internet of Things (IoT).

*"Everything gets connected, devices get intelligent, industries move from reactive to predictive," he says.*

As a result, it will be easy to get a business idea up and running quickly:

*"By 2030 the lines between a business strategy, financial services or a planning strategy, and a technology strategy will completely blur... it will be a 'success strategy' where you are trying to ward off disruption and make yourself relevant."*

He says the time-to-value ratio will shrink, with businesses offering more services in less time, with deeper insights to share.

### The customer gets control

American Express vice president consumer acquisition and product marketing Dean Chadwick predicts the consumer will hold greater control by posting their intention to buy, and businesses then bidding for the opportunity to sell.

Customers will also want to be viewed as a person, not a marketing 'persona'. This will be addressed with a more seamless approach to reaching customers, with recognition of how they use their different devices.

"If I am watching TV, but happen to have an iPad in front of me, I may be looking at an advert [on TV], but at the same time I can fly an advert into the iPad as I know the consumer is looking at multiple devices at the same time," Chadwick says.

## Summary

The panellists at this year's CPA Australia Technology, Accounting and Finance Forum made it clear that no industry sector can afford to treat technology as an afterthought. As the cloud, APIs, automation, customer data and digital marketing all become the

norm, the experts urge businesses to get on board in order to be relevant, spreading the shared message that it is better to be a disruptor than get disrupted, and take your team, clients and customers along for a more successful ride.



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