TURNING TACTICAL INNOVATION INTO STRATEGIC GROWTH

International Accounting Bulletin

The Digital Accountancy Forum

London – 3rd October 2019
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Introduction

Mark Edmondson
President & CEO

Founder of Inflo

Global Accounting and Audit Thought Leader

Change Management Expert

Subject Matter Expert in Technology in Audit, including Audit Standards and Methodologies

Accountancy Age 35 under 35

My Passion – The Relevance of Accounting in the Future
Turning tactical innovation into strategic growth

1. Bringing together the core themes of the day, what are the priority areas for firms to focus innovation efforts?

2. Taking a step back, what are the implications for client service and growth?

3. Sharing insights from the front line, what are Inflo seeing and doing to move emerging technologies to business as usual?

4. Taking a step forward, how can firms begin to migrate clients from the traditional service model to deliver new, more valuable and broader service offerings?
## Today’s themes

<table>
<thead>
<tr>
<th>People</th>
<th>Process</th>
<th>Technology</th>
<th>Data</th>
<th>Result</th>
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</thead>
<tbody>
<tr>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Disillusionment</td>
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<tr>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
<td>Unscalable</td>
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<td>Yes</td>
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<td>Yes</td>
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<td>Yes</td>
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</table>
Turning tactical innovation into strategic growth

**Strategy**
Start with strategy – what is the north star for innovation?

**Process**
Focus on process
- What is the current process?
- What future process is required for the north star?
- What are the steps from current to future?
- Involve people from the start

**Technology**
Where does technology fit in future process and services?

**Data**
What data does that technology and process require?

**People**
Who are the right people to add value to the future services?
Client Service & Growth

Implications for client / firm relationship

**Product**
New outputs, new services, greater differentiation between firms

**Price**
New models, emphasis on value, shift in client mindset

**Place**
Digital, remote, international, collaboration is key

**Promotion**
Re-positioning role of accounting firms
<table>
<thead>
<tr>
<th>Scope of Work / Value</th>
<th>Essential</th>
<th>Premium</th>
<th>Platinum</th>
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<tbody>
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<td>Lowered to £100,000 for all areas</td>
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<td>Controls Analysis</td>
<td>Walkthrough only</td>
<td>Testing of key controls in key business cycles</td>
<td>Testing of key controls in all business cycles</td>
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<tr>
<td>Information Delivery</td>
<td>All requests to agreed timetable</td>
<td>All key requests to agreed timetable</td>
<td>Full flexibility</td>
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<tr>
<td>Outputs</td>
<td>Report addressing required communications</td>
<td>Plus Value Report</td>
<td>Plus Inflo Dynamic Dashboards</td>
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<tr>
<td>Use of Data Analytics</td>
<td>Risk Assessment &amp; Fraud Testing</td>
<td>Plus Revenue Testing</td>
<td>Plus Benchmarking</td>
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</table>

Legend

Prior Year Scope
“Can you export your Xero trial balance to PDF please?”

“That’s what we always use to do our work”

“Erm... No. Why?”

“Ok... That’s not how Xero works”
Becoming Business as Usual

**Skills**

**Partnership to**

- **Bring Emerging Technologies to New Accountants through Accounting Qualification**
- **Support Qualified Accountants through top-up Training Resources**
- **Attract Future Accountants through University and Training Provider Education Materials**
Becoming Business as Usual

Collaboration

Partnership to

- Promote Consistent Innovation Approaches
- Allow Central Expertise to have Scalable Impact
- Enhance Knowledge Sharing Across Member Firms
Becoming Business as Usual

**Expertise**

**Technology**
Launching free-to-use version of platform

**Process**
Capturing expertise in resources, e.g. valuable audit planning guide

**Data**
Globally supporting data access across 100% of client systems
Migrating Clients

- Creating demand: Raising awareness of new capabilities
- Being led by demand: Allowing clients to shape future services
- Servicing demand: Marrying demand to new delivery models
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