

The logo for 'iplicit' is displayed in a light blue, lowercase, sans-serif font. It is centered within a solid black circle. The background of the entire image is a dark blue gradient with a large, abstract, light blue shape in the top right corner. A faint, grayscale image of a person working at a computer with a large monitor displaying financial charts is visible in the background.

iplicit

CHANGE IS COMING

7 Key Trends in Finance Software
You Need To Know About

www.iplicit.com

Table of Contents

Introduction.....	01
Our Interviewees.....	02
AI is coming to you (but what will it actually do?).....	03
Integrations: We'll need everything to go together.....	11
Open banking could finally start to deliver.....	18
e-Invoicing is on the way.....	23
A bigger gulf between early adopters & the rest.....	27
Tech will help attract & keep staff.....	34
Automation can make our businesses more human...	41
Get ahead of the competition.....	44

Introduction

You're as likely to read about technology and software in the main news headlines today as on the business and tech pages.

Over the past year or so, there have been warnings that rapid advances in artificial intelligence could outperform humans, obliterate jobs and possibly even destroy humanity. Whoever said software was boring?

If you're a finance or accountancy professional, you may have so much else to worry about that there's little time to reflect on how software could change your world. It might be tempting to put the whole issue to one side until the situation has settled down a bit. But what if it doesn't settle down?

That's where this guide comes in.

We interviewed some of the brightest people in finance and accountancy about what they saw as the key trends in finance tech and software in 2024 and beyond.

iplicit is a software business disrupting the market in finance systems for medium-sized organisations, so we have a few opinions about these issues too. But we thought you'd rather hear the independent insights of some of the sharpest minds in the industry.

Is AI really coming after your job?

Should we be plugging ever more apps into each other?

Is e-invoicing the next big thing?

Our interviewees were free to say it as they saw it – and in the following pages, we'll take you through the key themes that emerged.



Our Interviewees



Alastair Barlow
CEO & Co-founder
flinder



Becky Glover
Finance Director
Yutree Insurance



Ewan Bolt
Head of Digital
Advisory
Johnston Carmichael



Garry Mumford
Managing Director
Insight Associates



John Toon
Tech Strategy Lead
Beever and
Struthers



Lara Brennan
UK Head of SME
Mazars



Lauren McIlroy
Partner & Business Unit
Head: Virtual Finance
Function
AAB



Luke Quince
UK Head of Digital
Delivery Services
Azets



Nicola Savill
Director of Outsourcing,
Moore Kingston Smith
Digital Lead, Moore UK
Network



Russell Frayne
Director of
Transformation
Gravita



Ryan Pearcy
Associate Partner
Scrutton Bland



Simon Woodhams
Outsourcing Digital
Innovation Lead
Moore Kingston Smith

TREND #1

**AI is coming
to you**

1. AI is coming to you

But what will it actually do?

It sometimes seems it's the only subject people in tech are talking about: artificial intelligence, or AI.

"I heard Steven Bartlett, the author and presenter of the podcast The Diary of a CEO, speak recently," says **Lauren McIlroy, Business Unit Head for AAB's Virtual Finance Function.**

"He said if there's something that's making you really uncomfortable, it's likely that this will be the thing that cuts through and makes a difference – and he's right. AI is making us all quite uncomfortable and we have to lean into that discomfort and embrace it, because there's a massive change coming."

Russell Frayne, Director of Transformation at Gravita and formerly Head of UK Digital Accounting Solutions at Azets, agrees. "Everyone's talking about it. I see it as one of those things that people are scared of because they don't know what's coming," he says.

"People are always slow to adopt new tools and will tend to ignore them for as long as humanly possible, but with AI you're not going to have the chance to bury your head in the sand for very long."

The current buzz about AI is largely down to the rapid advance of large language models (LLMs) – products such as ChatGPT and Google Bard, which scrape vast amounts of data in order to respond to natural language.

John Toon, Tech Strategy Lead at Beever and Struthers, says: "I think the businesses that are on the very forefront of adopting technology will be using AI large language models to do exciting things."

"People are always slow to adopt new tools – but with AI, you're not going to be able to bury your head in the sand for long."



Russell Frayne
Director of Transformation



“We’ve been doing some research which shows that the very early adopters have already gone through the experimental phase to look at how LLMs will change their businesses – and they have a very focused idea of where they could use it. Customer services is one particular area, as is internal knowledge sharing. Finance appears on that list but tends to be a little lower down.

“Other businesses, who are not at the bleeding edge of technology adoption, have a much more scattergun approach.”

Alastair Barlow, CEO and co-founder of flinder, says: “AI is the biggest issue of the day. How do we leverage it? How do we get

the most out of it? How do we make it secure?

“At the moment, we’re playing at the fringes of it, and probably all we want to know is how to get our client data into it securely and safely anonymised and confidential, so we can draw insights from it or it can identify errors and anomalies.

“Then there’s the question of the hybrid model, where we’re augmenting human beings with AI. What’s it really good at and what isn’t it? It’s very good at some things and very bad at others, but it will still come across like it’s good. We don’t want hallucinations coming out of it. Where do we still need people to do things along the chain?”



But what will AI do?

"There is a massive change coming. I think that bottom 10-15% of transactional work will all of a sudden just be done and won't need checking."



Lauren McIlroy
Partner & Business Unit Head:
Virtual Finance Function



So, AI will be important – but how will we actually use it? Are we looking at a near future in which a robot accountant digests your invoices and purchase orders, then turns them into a perfect set of accounts for another robot to audit?

Before we get carried away by that idea, it's worth pointing out that AI is already with us. It powers software features such as the automated accounts payable tools in iplicit.

John Toon of Beever and Struthers points out that many of us already use OCR (optical character recognition – i.e., software that can recognise text in documents) and various

kinds of automatic data entry. "That's AI, but one ever talks about it," he says.

Ewan Bolt, Director and Head of Digital Advisory at Johnston Carmichael, says:

"What I find fascinating is that AI and machine learning have been about for decades. This is not new. It's just that the adoption of it has suddenly been ramped up in recent years.

"There's embedded AI, where AI is happening in the background so that people probably don't realise it's going on. The best example I can give is Copilot by Microsoft, an AI assistant which is part of Windows 11 now and is brilliant."

Simon Woodhams, Outsourcing Digital Innovation Lead at Moore Kingston Smith, agrees. “We’ve been using it for probably 10 years now but it wasn’t called AI. It was called machine learning,” he says.

“Then ChatGPT became public and everybody said ‘What’s going on?’ It made everyone a bit more aware of it without necessarily understanding what it is and what it does.”

Before we get to the robot accountant stage, AI is likely to boost the effectiveness of the kind of automation that many finance teams already use.

Gravita’s Russell Frayne says: “A lot of those tools have been in the marketplace for a long time. AI is just going to supercharge that.

“AI really has the potential to transform the profession in terms of forcing through automation for routine, mundane tasks that really we should have been embracing automation tools for already. Not everybody’s where they need to be on that.”

That doesn’t mean the impact of those changes will be small, though.

“There is a massive change coming,” says Lauren McIlroy. “We’re not quite there yet, but I do think that bottom 10-15% of transactional work will all of a sudden just be done and we won’t need to check it. We won’t need the human element.”



How big will AI get?

AI has huge potential but we should be realistic about how fast it will change the world, says **Garry Mumford, Managing Director** of financial management outsourcer Insight Associates.

"If it's just doing something which a human being can currently do, but a human still needs to go back and check it's been done right, it doesn't really make a difference. I think that's why I'm a bit sceptical at the moment, but it will get there," he says.

"AI has to prove itself as actually saving people time rather than just being a bit of a novelty. It's actually got to make an impact."

Ryan Percy, Associate Partner with Scrutton Bland, says he is "very cautious" about the idea that AI could take on tasks such as forecasting any time soon.

"I think we will see a big boom in the utilisation of AI, but there will be more talk than delivery in 2024, in my opinion," he says.

"If software vendors can solve little pain points, iteratively, over time, then I think they'll be delivering a lot more value than if they say 'Oh, we can solve this big pain point right off the bat'."

"Most people are looking at AI to do a few things faster. It can maybe spot mistakes easier and do a bunch of activities that more junior staff can do. But I think there's a more exciting part."



Alastair Barlow
CEO & Co-founder



Russell Frayne of Gravita believes certain tasks will be particularly suitable for AI – audit being his key example.

“Audit just lends itself to this because it’s repetitive. It’s data checking, it’s pattern spotting. It’s all the stuff that a computer is designed to do. I’ve done it all in the past and it can become very monotonous. Audit checks are only as good as your sample selection and your sample selection can always be flawed, so it’s always up for human error,” he says.

“All the different regulatory bodies in accountancy are trying to work out the ethical, legal and social responsibility implications of AI, where it can be used and where it should and shouldn’t be used. Once that’s ironed out, I do expect to see a massive uptick in the way it will be used.

“For the next six to 12 months, I think people will be working out how they use AI day to day, how they bring it into their business, into their solutions and their tools. But from 12 months onwards, I think they’re going to see an absolute paradigm shift, in the accountancy profession in particular.”

Alastair Barlow of flinder, says AI’s payoff could come at the level of analysis and insights.

“I think most people are looking at AI to do a few things faster. It can maybe spot mistakes easier and do a bunch of activities that more junior staff can do. But I think there’s a more exciting part,” he says.

“We’re always talking in accounting about how if we automate things, we have more time for better conversations with clients, to do this advisory stuff. But what is this advisory that’s talked about like a holy grail? A conversation itself isn’t advisory if there’s no insight in the conversation. I want to see AI delivering real insights that firms are only aspiring to deliver at the moment.”

As AI becomes ever more widely used, it will be important to understand the risks of becoming over-reliant on it, according to **Nicola Savill, Director of Outsourcing at Moore Kingston Smith.**

“There are areas where we’ll want to lean into it more, which means upskilling our team to work differently and ensure they understand it – just as we did with the emergence of cloud and digital technology,” she says.

“They’ll need to understand its strengths and also the weaknesses and pitfalls.

“One of the things I’m quite hot on is the ethical side of things. We’ve seen concerns in other areas – exam papers, for example, and research – about the biases in some of the results returned by AI. The ethical considerations are quite significant and I always say that just because you can do something, it doesn’t mean you should. So you need strong policies about what you’re doing with AI and how you’re using it and you need to ensure you’re interpreting what comes out of it sensibly rather than just accepting it.”

TREND #2

Integrations

2. Integrations

We'll need everything to go together

Arming your team with the right software is no longer just about shopping for the best applications. Increasingly, it is about how well that software fits together.

After years of work by developers on new ways to make common software systems speak to each other, now could be the time to really reap the rewards of integration.

"A lot of businesses jumped into the cloud because of Covid but now have disparate systems – or they're partly in the cloud and partly not," says **Ryan Percy of Scrutton Bland**.

"Some have seen the benefits of the cloud and want to get the most out of it, but they still

want to just use the 'best of breed' application for each separate task to some extent. I think there will be a consolidation among vendors and more integration between different platforms.

"When Xero brought out an app store, a lot of businesses just jumped in and plugged things into other things. But people are becoming wise now and they realise that the quality of integration varies massively between systems and they're holding the vendors to account.

"I think there's going to be a lot more checking and critically questioning these integrations – and examining what we really need them to do."

"It's no longer about one piece of technology doing what you need it to do in its little bubble, then another piece of tech doing what it needs to do. Different apps need to talk to each other."



Becky Glover

FD of the Year, Accounting Excellence Awards

Becky Glover, Finance Director at Yutree Insurance, who was named FD of the Year at the Accounting Excellence Awards 2023, says: “It’s no longer about one piece of technology doing what you need it to do in its little bubble, then another piece of tech doing what it needs to do. Different apps need to talk to each other.

“It’s a bit like having an iPhone. You don’t just use the phone section of it to ring or text people; you might take a picture and then text it to someone. Tech companies increasingly don’t want to work in isolation. They want to take the best of everything and work with something like a little App Store. For example, you might have one piece of technology that inputs AP invoices, and then another technology that looks at those invoices and can forecast the next year’s costs.”

John Toon of Beever and Struthers says: “We’re certainly seeing more and more demand for integrations – and not just finance type integrations, but things like being able to connect your Microsoft or Google documents to your finance package so you can email out invoices, which is relatively straightforward.”

One reason start-ups tend to cling to their entry-level cloud accounting software is that it comes with an array of integrations with other apps, he says.

“When a business outgrows Xero or QuickBooks, they’re already familiar with having a connected ecosystem of products that are best of breed, doing various things like scanning invoices and making payments.

“In the past, some of the ERP products they move onto have been pretty average at doing a lot of those things. So I think businesses’ expectations are driving up the requirement to have integrations.

“Transitioning to a new finance system can be a challenge, so if you can minimise the disruption by having good quality integrations between the new system and the other products people are familiar with, that’s great.”



New ways to integrate

In recent years, organisations have been given more ways to integrate apps. The options fall under three headings:

- **“Out-of-the-box” integrations** which are ready to go as soon as you install the main product.
- **Integration through APIs** (application programming interfaces) – the most customisable option, requiring some development capacity on the customer’s part.
- The new generation of **iPaaS (integration platform as a service) options**, led by the massively popular Zapier. These allow the user to easily connect applications so that an action in one program triggers the required response from another.

“Advances in integration have made a huge impact and will continue to do so if they’re made simpler and simpler,” says **Garry Mumford of Insight Associates**.

“When we get to the point where someone with a reasonable amount of nous can do it themselves, rather than involving a technician to make it work, that will be a huge next step.

We had a business client who was employing someone just to be the interface between a point of sale system and the finance system. Now there’s an integration and the work hasn’t completely disappeared, because there are some things a human needs to look at, but the volume of work has dropped off a cliff. That’s why these things make a difference.”

“When we get to the point where someone with a reasonable amount of nous can do it themselves, rather than involving a technician to make it work, that will be a huge next step.”



Garry Mumford
Managing Director

inSIGHT ASSOCIATES®

Nicola Savill of Moore Kingston Smith has also encountered businesses where someone's entire job revolves around rekeying data from one application to another.

"Start-up or fast-growth companies tend to be very agile with the use of applications that connect well with each other. The shift we've noticed is that we're doing more projects with more mature businesses, which have outgrown legacy systems and have been doing a lot of manual and duplicated work," she says.

"Those businesses are starting to adopt a more joined-up way of thinking in terms of connecting CRM systems, sales software, websites, account solutions and so on, so those systems are truly speaking to each other. They've had this problem for years and know it's not sustainable and they have to change because they have smaller businesses snapping at their heels."

Whatever choices an organisation makes about integration, it's important to understand the workflows involved and the problems you're trying to solve, says John Toon.

"I think the challenge for a lot of businesses is that actually they don't have those systems and processes well documented. And so they don't fully comprehend what the change management challenges are. They need to know: If I rip out Xero and put in another system, what's the impact? What do I have connected already? What's working well and what's not working? Where did my efficiencies and inefficiencies lie, and what are the opportunities?"



To integrate or upgrade?

"I'm quite reluctant to chuck loads of apps at a situation, because the app ecosystem is humungous. Everyone suddenly wants to be in tech."



Luke Quince
UK Head of Digital
Delivery Services



Sometimes, if you find yourself seeking better integrations, it might be that the better option is an upgrade to a feature-rich finance system instead.

Lauren McIlroy of AAB says businesses have traditionally bolted other applications onto their finance software because they didn't want the disruption of changing systems. "If you ever suggested to the finance team that you wanted to change their system, that was met with a lot of sighs and groans. And that's because the implementation stage has always been difficult," she says.

"But failed integrations are even worse

because you've got a huge number of people, all of whom were kind of happy with their system before, and who are now all very unhappy. We've seen that a number of times with our clients unable to get numbers, unable to get reporting into the business and to the investors and that just doesn't work.

"If we choose Xero as an example, people try and use Xero for things it's just not designed for and you end up with Xero plus 18 different apps. That just doesn't work, and actually having an integrated system in the first place would be much easier, yet people have shied away from that because they thought it would be too expensive."

Alastair Barlow of flinder adds: “Historically, we’ve always talked about having the best of breed application for each thing, but I often hear people say ‘Why do I have to go outside my general ledger to get good reporting or approval workflows?’ Surely these things should be a feature of the main product.

“So I think there’s generally a demand for more and better features within a product rather than having these multiple logins and data going from one system to another.”

Luke Quince, UK Head of Digital Delivery Services at Azets, says: “I’m quite reluctant to chuck loads of apps at a situation, because the app ecosystem is humongous. Everyone suddenly wants to be in tech and I’d like to see how that pans out over the next few years.

“At the smaller end of the market, people perhaps need to plug three things into Xero to make it work the way they want it to. If you’re getting up to three, four or five integrations, is Xero the right platform in the first place? If I put myself in a business owner’s shoes, do I really want to have to log into five things to do my accounts? Probably not.

“I think one to three apps will suit most people at the bottom end of the market and when they get to the mid-tier scale, they can move straight onto a new platform.”

Simon Woodhams of Moore Kingston Smith says: “When we’re scoping projects for

“We’re leaning more towards having everything in one place, or as few integrations as possible. There comes a point when that’s more cost-effective and efficient.”



Simon Woodhams
Outsourcing Digital
Innovation Lead

 **MOORE** Kingston Smith

clients we tend to advise limiting the number of integrations. People might be using Xero and want to integrate it with various applications – but when things go wrong, where do you go? Xero could point you back to the developers of the other app, but what if the app points you back to Xero?

“We’re leaning more towards having everything in one place, or as few integrations as possible. There comes a point when that’s more cost-effective and efficient.”

TREND #3

**Open banking
could finally
start to
deliver**

3. Open banking could finally start to deliver

Open banking has been a reality since 2018, when the UK's largest banks and building societies were required to let consumers and SMEs share their bank and credit card transaction data securely with third parties. They also had to let customers make payments to third parties without the use of cards.

Many consumers have used it, even if they haven't heard of it, and it's enabled the rise of quite a few fintech applications. And yet there's a feeling that open banking hasn't yet fulfilled its potential as far as businesses are concerned.

"I think this is the year we'll see open banking take off – but I'm just a bit anxious about saying that, because it's been spoken about for years and years without providing much real benefit," says **Lara Brennan, UK Head of SME at Mazars.**

"I suspect that wider industries will apply open banking frameworks and it will be plugged into most consumer applications in 2024.

"However, I'd like to see it enable a full end-to-end accounts payable solution with payment information passing from the accounting system to the bank and back again."

Ryan Percy of Scrutton Bland agrees that progress on bringing the benefits of open banking to small and medium-sized organisations has been slow.

"The first level of it – the read-only sharing of bank accounts – took about two years longer than it was supposed to," he says.

"I think this is the year we'll see open banking take off – but it's been spoken about for years without providing much real benefit."



Lara Brennan
UK Head of SME

mazars

“The problem is that it wasn’t mandated across every type of bank account or every bank, so you’ve got some banks that don’t adhere to it – and some bank accounts for which it isn’t applicable.

“The next phase, which isn’t mandated, is about enabling payments out of banks. That bit is starting to move forward, but we’ve had two or three years where people promised a lot and were unable to deliver it because the banks’ back-end systems just weren’t good enough. You can do quite a bit but you still can’t do enough, but I don’t see that dramatically changing because it’s all down to the banks, and the ones that didn’t care still don’t care.

“If you’ve got a big business, you can automatically take money out of your current account every day and put it in a savings account, then move it back in response to a trigger when the current account balance hits a certain level. You should be able to do that for smaller businesses, using open banking and a plugin tool, so you’re maximising your investment but keeping your current account at a level you’re comfortable with. That would bring those tools that benefit bigger businesses down to the smaller ones. That’s the kind of thing open banking should enable, but we just haven’t seen that.

“Do I think that will happen in 2024? No, because I think you need more regulation, and I think the government will be doing too much else.”



What's taking so long?

Bringing the benefits of open banking to businesses is not easy.

"The challenge when you start to deal with the larger scale SME world is that the payments environment tends to be a bit more complex," says **John Toon of Beever and Struthers**.

"You have layered approval processes that don't necessarily lend themselves easily to the existing open banking payment providers, which are becoming more and more focused on things like online retail.

"The trouble is that the steps required to make a payment online through open banking are more cumbersome than just getting your card out or paying with Apple Pay or Google Pay. Whenever you introduce extra steps to a payment process, it's not going to encourage people to adopt it.

"Having said that, though, there are opportunities around variable recurring payments for businesses to do more effective treasury management. And I think that's where you'll start to see some customers starting to get more interested in those products.

"Your high street bank is never going to say, 'Did you know you've got this technology that would allow you to move money to another bank and get a higher rate?'"



John Toon
Tech Strategy Lead

BEEVER
AND
STRUTHERS

“Your high street bank is never going to come to a customer and say, ‘Did you know you’ve got this variable recurring payments technology that would allow you to move money from our bank to another, to get a higher rate?’ But vendors could say ‘If you’ve got complex treasury management, we can help you manage accounts across multiple banks, entities and jurisdictions’. That’s where I think the opportunities really lie.”

Garry Mumford of Insight Associates adds:

“I think open banking has massive potential, but it seems to be taking forever to get there. That’s probably just the banking profession generally. I would welcome seeing a lot more integration of banking data and processes in finance systems.

“The process of making payments should be very rigid and systematic, very clear about division of duties and ensuring fraud prevention measures. But if the finance system can talk to the bank and a payment is approved in the finance system, that can take out the potential for human error and fraud, and it would truly integrate the banking sector with the accounting software.

“It’s not being driven by the banks enough but I think there’s huge potential in it, if done right.”



TREND #4

**e-invoicing
is on the way**

4. e-invoicing is on the way

All businesses in the European Union would have been required to send and receive VAT invoices electronically from January 2024, if the EU's original timetable had held.

It is part of a package of measures designed to aid trade and cut VAT fraud. It has been deferred for two years, but it is likely to affect anyone trading with mainland Europe before long. And individual countries, inside the EU and around the world, are pushing ahead.

"Most businesses don't like change. But if you look at Making Tax Digital, it's benefited most businesses and is now the norm."



Lara Brennan
UK Head of SME

mazars

"I think there will have to be serious development from software providers to make sure you can have that electronic invoice exchange," says **Lara Brennan of Mazars**.

"That will be a significant way also to improve cash flow for businesses if you can have that immediate exchange of invoices.

"Most businesses don't like change. They don't like having to do something that's completely new but if you look back to Making Tax Digital in the UK, it was easy. It's now benefited most businesses to be able to digitally submit their tax returns, have digital links between their systems and have digital records. It's now the norm."

Lauren McIlroy of AAB adds: "I think if you're a high-volume kind of business, e-invoicing would be fantastic, because you can just get all those invoices out quickly.

"But it's really important that the right systems and controls are in place, because as soon as you annoy your customer with an incorrect invoice, everything breaks down. It will be important that it's up and running in the way you need it to, before you send it live.

"When HMRC announces anything – Making Tax Digital or anything else – it takes a long time to happen, because not only does the software have to be in place but people's mindsets have to catch up. It's not an overnight thing."

Alastair Barlow of flinder puts it another way: "Things like e-invoicing and open banking, these all always seem to be within touching distance, but every time you get a little bit closer to them, they're just as far away."

It could arrive by the back door

John Toon of Beever and Struthers says many UK businesses will be exposed to the impact of e-invoicing procedures overseas.

“We’ve had e-invoicing in Australia and New Zealand for quite a while, the EU’s talking about bringing it in for cross-border transactions and some individual countries, like France and Italy, are talking about e-invoicing as the default. So I would suggest it’s highly likely you’re going to start interacting with people using e-invoicing technology,” he says.

“But this technology is not new. The standard that’s utilised PEPPOL is a European standard that’s been around for about 20-25 years. If you’re a retail business, you may have been using EDI (electronic data interchange) for taking and receiving orders.

“I don’t think it’s going to be legislated for in the UK, but it’s going to come in through the back door. In Brazil, everyone does e-invoicing, and every B2B transaction goes through their equivalent of HMRC to be validated and stamped. So we are way behind in terms of that technology.”

“The UK is not as advanced as some other countries yet. Places like Brazil have taken e-invoicing and e-reporting a stage further, so every single invoice raised by a VAT-registered business has to go through a government gateway, or it’s not a valid invoice.”



Ewan Bolt
Head of Digital Advisory

JOHNSTON
CARMICHAEL 

Ewan Bolt of Johnston Carmichael agrees. “The UK is not as advanced as some other countries yet,” he says. “Places like Brazil have taken e-invoicing and e-reporting a stage further, so that every single invoice raised by a VAT-registered business has to go through a government gateway portal, or it’s not a valid invoice.

“It means VAT is almost 99% done at the end of each month or each quarter. Because the invoices are all in the government gateway, the government can see what’s coming, so they have a far better idea of what’s going on.

“I think there will be a lot of noise around e-invoicing. People will talk about it a lot, but I think the adoption will be a bit slower than I might have hoped,” he adds.

“People only really act on two things. Either something has to be mandated, or it has to benefit them greatly. Those are the two

drivers and if neither of them are there, people will choose the path of least resistance and stay with what’s comfortable.”

Ryan Percy of Scrutton Bland thinks UK businesses may be best advised to keep a watching brief on the issue.

“It will become more important, but I think 2024 is probably a year too early for it personally,” he says.

“The public sector will have some involvement with it, but the way the government’s working, with a general election likely this year, I don’t see any legislation mandating anything in the UK, so most businesses will only look at it when they need to.

“That said, it will be on people’s radar, and my gut instinct is that it will get into the UK in some way before we get to some stages of Making Tax Digital!”



TREND #5

**A bigger gulf
between early
adopters &
the rest**

5. There'll be a bigger gulf between early adopters and everyone else

"In 2024 and beyond, there will be a huge difference between businesses that use tech and AI automation and those who don't," says **FD of the Year Becky Glover**.

"Those who don't will be left behind extremely quickly. There will be a massive divide.

"There's a quote that's going around at the moment: 'Tech won't take your job – but people who know how to use tech will take your job'.

"I think that's the key to all of this. If you're not willing to train yourself on how to use and optimise the tech, it will be bad news really quickly.

"It's not about just being able to use technology. It's about understanding how to use it to its full potential, in ways which will take a business to where it needs to be."

Software will give organisations a better view of their own data – and potentially their industry's data, according to **Luke Quince of Azets**.

"We've got clients that are still hammering away at their keyboards to do data entry. We're mandating that we use the right tools internally, so we can push that down to our clients, which will improve the quality of the data we can get back," he says

"We've got a vast number of clients and a lot of data we could leverage. We could benchmark clients that are on the same finance systems, segregating them by industry types.

"So they could log into our portal and see their data insights, showing them trends and so on. We can't say 'John down the road has made £10,000 more than you', but we can give them insights into their industries.

"There are businesses that are still making blind decisions. They're just asking themselves 'Does this feel right?' and 'How much money have we got in the bank?'"



Nicola Savill
Director of Outsourcing
 **MOORE** Kingston Smith

“A lot of industries are protective of their numbers and don’t tell each other stuff, but if it’s safely anonymised and we can tell you how you compare with others in your industry, we can steer them down the right tracks and help them become more profitable and more competitive.”

John Toon of Beever and Struthers points out that many organisations are already lagging badly behind.

“We’ve still got big challenges around convincing SMEs in particular to move from on-premise solutions to cloud accounting products – or even to the cloud in general, in some instances,” he says.

“When cloud technology became the norm, it brought large scale technology to businesses that couldn’t previously have invested in it. But the gap between businesses got even wider, because those that weren’t adopting cloud technology were getting stuck in time. I think this contributes to our efficiency crisis in the UK.

“Now we’ve got this next step of AI and the large language models coming in, and I think we’re starting to see the organisations that are cutting-edge take another step forward, so the gap is just getting wider still.

“It’s not going to put people out of business today, but it may well make them significantly uncompetitive in certain areas.

“The demise of businesses as a consequence of technological change isn’t quick. If you think of the classic Netflix versus Blockbuster thing, Blockbuster carried on for quite a long

time before they finally went bust. Just because AI has come around, it doesn’t mean the businesses that are still operating like it’s the 1990s will fall over tomorrow, but they aren’t going to keep going. It might show up as a 2% fall in sales at first and you’ll miss it among everything else.”

Moore Kingston Smith’s Nicola Savill adds: “There are basic movements in the economy that shape the environment for every business and can pose a threat to survival – for example, the fact that everything’s becoming more expensive, so your costs will be much higher in a year’s time.

“You need management information to deal with events like this, but there are businesses that are making blind decisions. They’re just asking themselves ‘Does this feel right?’ and ‘How much money have we got in the bank?’ but that’s no longer enough. You need much more insight. Enhanced management reporting can make the difference to whether a business is able to plan and be proactive or just duck and dive its way through hard times or not.”



It's not about the big bang

"People have moved to the cloud and that's great, but you have to continue to push ahead. It's all about how you take the learnings from the early adopters of things like generative AI and apply that to other businesses."

Lara Brennan
UK Head of SME

mazars



John Toon urges businesses to adopt a "challenge mindset", constantly keeping abreast of opportunities rather than just making big upgrades.

"When businesses implement a big change – whether it's moving to an ERP, or switching from on-premise to the cloud – it often happens as a Big Bang. And then it's never reviewed or revisited 12 months later, it's just left in place for years, until the world's moved on again.

"The businesses that adopt an innovation and challenge mindset, they are strategically looking at opportunities. It doesn't come

naturally, because humans are habit-forming creatures; we don't want to be constantly changing.

"You can end up in a bubble where you think everyone's in the cloud, everyone's using ChatGPT or whatever, and then you step outside that bubble and realise it's not the case. If you're on a 10 or 15-year-old, on-premise accounting system, you're probably not even aware of the level of automation that's possible."

Lara Brennan of Mazars also believes a business's attitude to technology will be consistent with its wider culture.

“People have moved to the cloud and that’s great, but you have to continue to push ahead,” she says.

“It’s all about how you take the learnings from those that are early adopters in using things like generative AI and how you apply that to other businesses.

“For us as advisers, we can help businesses move along by talking to them in a very issue-led way. We can say ‘Do you have this problem?’ and then talk to them about the art of what’s possible and what we’ve already done with other clients. They might not realise there’s a tech solution that can be used in their business and can reduce the number of hours spent on a task.”

Even business leaders with an eye on exiting can’t afford to neglect technology, she suggests.

“If you are not on top of trends and you're not implementing those technological advances in the business, then your finance function probably isn't fit for the future. And if it's not fit for the future and you're a business that's looking to exit at some point in time, it will decrease that multiplier,” she says.



Opportunity is here again

With the UK having so far avoided a recession, research suggests many business leaders are sensing opportunity again, says John Toon.

“The ones that are at the cutting edge will be the ones that are most agile and have the most data at their fingertips,” he adds. “The ones that are furthest forward on the tech adoption scale are much more confident about being able to leverage those opportunities.”

Ryan Percy of Scrutton Bland also senses that businesses are ready for growth. He suggests they should be reviewing their technology.

“In 2023, businesses wanted to grow, but there was an underlying uncertainty in the marketplace, which caused them to pause. In 2024, even though the marketplace might not be massively growing, we kind of know where we are,” he says.

“Inflation’s come down, there’s some stabilisation, and if you’re an FD or a CEO, you should be considering whether your business is set up to maximise the next opportunity that comes up. You should ask: Have I got the automation? The structure? Am I utilising cloud the right way?

“Inflation’s come down, there’s some stabilisation, and if you’re an FD or a CEO, you should be considering whether your business is set up to maximise the next opportunity that comes up.”



Ryan Percy
Associate Partner





“I think we’ll see a boom in businesses moving away from traditional software and going into the cloud – and if you’re not considering it, you’re putting yourself on the back foot against the competitors you want to win work from.”

Luke Quince of Azets says: “One of the areas of work we do is a detailed systems review. We’ll go out to a client and say, ‘Right, tell me how you get from start to finish in every area of your business. How did you go from purchase order through to paying the purchase invoice sales order through to receiving the money?’ How do you account for fixed assets?’

“We’ll document all of that for the client and then say, ‘Here’s what you do, here’s the software you’ll need to fully optimise that to make it more efficient so that you can go and build more houses’ or whatever they do. Once we complete the work, clients all understand the value of it, and we do that before we recommend any products.”

TREND #6

**Tech will help
attract & keep
staff**

6. Tech will help attract & keep staff

But they'll need old-fashioned skills as well

"You need to show people you're the best place to work in a multitude of areas – and one of those is saying: We're not going to make you sit and do boring tasks. We understand where your value is and we're going to be able to use that to its full potential."



Becky Glover

Finance Director &
Accounting Excellence
Award's FD of the Year



Good staff have become harder to find, for finance departments and accountancy practices alike. Those employers working with outdated tech will find themselves at an increasing disadvantage.

"The questions job candidates ask at interview are completely different from what I would have asked when I was first hired," says **Lauren McIlroy of AAB**.

"Tech and ESG are probably the two main elements that people are focused on.

"The recruitment market is unbelievably competitive. People are saying 'I don't want to work that many hours, I want to work flexibly, I want to balance my life' and firms are having to pay higher salaries for less qualified people.

"But candidates do want to be challenged and they want to embrace tech. Employers need tech strategies. How are they going to train people? What AI projects can those people work on?

"Being forward-fitted with tech actually suggests that you're forward-fitted with the rest of their employment and can support them as they grow as they move through their careers."

FD of the Year Becky Glover says: "In a really tight labour market, with wages going up, we need to think: 'OK, these are my key people, I want to keep them happy, so how are we going to use them to their full potential?' Well, that's not about having them sitting there, hour after hour, checking things back or manually entering things into a system. You get the best out of people by using their brains and their experiences."

She agrees that employers who are forward-thinking about tech are likely to be forward-thinking in other areas.

“I think you need to show people you’re the best place to work in a multitude of areas – and one of those is saying ‘We’re not going to make you sit and do boring tasks. We understand where your value is and we’re going to be able to use that to its full potential’.”

Lara Brennan of Mazars says some of the most valuable recruits to a business are those who find ways to improve processes and save hours through automation. “In recruiting, I’d look for people with digital skills and analytics,” she says.

“The younger generation are learning in a different way. If they get a job in a business that hasn’t implemented those technological advances, they will get frustrated because it’s not the digital experience they are used to.”

Nicola Savill of Mazars adds: “Systems that

are reactive and intuitive are an absolute must. That’s our biggest learning from our new intake of graduates. They ask: How can I do this quicker? Why do I need to work in this system when it’s not smart or quick? Why do I have to go through many processes to get somewhere?”

She points out, though, that the desire to do things quickly needs to be weighed against risk.

“We have the responsibility to ensure that the environment we’re working in is secure from a cyber perspective and that the data is secure,” she says.

“Those things can sometimes make the experience a little more challenging, but it’s absolutely essential, because we’re protecting the data of our clients. The due diligence we carry out every time we engage with new software is significant, because we have to consider it as a potential point of entry for anyone trying to get access to our clients’ data or our own.”



Don't just find another Dave

"Sometimes, when people say there's a crisis in recruitment, I think they're looking in the wrong places."

Russell Frayne
Director of Transformation



Hirers should avoid simply looking to replace existing staff like-for-like, says **Russell Frayne of Gravita**.

"Some firms, especially the less forward-thinking ones, are looking at the local market and saying 'Dave's left, we need another Dave'. They're not looking at whether it's the right role for this business going forward and a lot of them are a bit scared of this flexible, working from home environment as well," he says.

"So sometimes, when people say there's a big crisis in recruitment, I think they're looking in the wrong places. They're looking too closely

and I think they're looking to replace like with like, rather than stepping back and saying 'What should our workforce look like in the business that we need to build and grow into?'"

In the accountancy profession, he says, it will be necessary to harness the technical skills of a new generation with the wisdom and soft skills of more experienced staff.

"If you just bring in Gen Z people who want to do things efficiently using software and automation, they're not going to be great advisers, because they're not rounded yet," he says.

“You need to take the people who are leveraging technology and automation and stick a very good, seasoned adviser on top of that and you’ve got a really successful combination there.”

Moore Kingston Smith’s Nicola Savill adds: “The people that are strongest from a technical and compliance perspective aren’t always the best people to have conversations. You need both those skillsets – the people that are inquisitive and can challenge and ask questions, who are curious about business and can build a good rapport, and the people who can technically challenge what the numbers are saying and how they should be treated.

“You need the full complement of talents and you rarely see that in one person.”



We'll still need to know the basics

Ewan Bolt of Johnston Carmichael says traditional accounting qualifications will be with us for the foreseeable future.

"Having said that, we are changing how we train our people on the job. There is much more of a digital focus. That's what's going to help us recruit and retain the best staff," he says.

"They get the technical training through their professional qualifications. It's the softer skills, the digital skills, the value added advice that we're trying to teach them.

"Technology is changing and will be able to analyse a set of numbers for you. Our clients, in some ways, are not interested in that backwards look. They want to look at what's

happening going forward, what's happening in their sector, their industry, what the challenges are going to be in the next 12 months. It's not necessarily all about the finance, so we're actually starting to branch out and offer complementary services to support our core financial services."

In a world full of automation, there will be less demand for data processing and basic bookkeeping. But **Garry Mumford of Insight Associates** points out that these tasks were once the entry-level work that taught people about the profession, so people will still need to know how to do them.

"If that's all done by a computer, how do you ever learn it?" he says.

"If you take away all that basic learning process because the software does it for you, how are those people going to get the core skills?"

inSIGHT ASSOCIATES®

Garry Mumford
Managing Director

“In our firm, we’ve always had a policy of growing our own talent – so we tend to bring people in at junior level or with a little experience. They’ll move through the organisation and qualify and if the bright lights of the City of London don’t attract them, they might stay with us.

“But if you take away all that basic learning process because the software does it for you, how are those people going to get the core skills which are the foundations for good accountants?”

Lauren McIlroy says: “It’s great for our graduates and trainees to have access to these systems, but they still have to understand the basic accounting. If you don’t, you’ll struggle as you get up the chain, to advise on anything.

“If you don’t understand how a sub-ledger’s built, you won’t understand how to do a P&L analysis and what’s wrong with it, what’s happened this month and whether there’s going to be a cash flow issue or a working capital issue. Once you’ve got that basic understanding, you can let the system do everything for you, but you have to learn.”

This could be a particular challenge if AI takes a greater role, says **Alastair Barlow of flinder**. “If you inject AI into the path of somebody’s natural training programme, you’re going to have a future wave of accountants in five years that are lacking a fundamental skill set,” he says.

“So we need to be mindful. It may help us become more efficient and deliver better quality, but how is it affecting the future of the profession?”

At the same time as employers review the skills they need from newcomers, they might want to consider upskilling their more senior staff.

“The people doing the higher-end stuff have also got to become more technically savvy,” says Garry Mumford. “They’ve got to get their heads around things like Power BI and break the old habit of using a spreadsheet to solve every problem.

“Accounts departments are still very Excel dependent. Yes, it does solve a lot of problems, but there are alternatives becoming more and more available – whether it’s the analytics elements of iplicit or something like Power BI.

“You wouldn’t dream of employing someone in an accounting role who didn’t have strong Excel skills, but I haven’t yet seen an ad for an accounting type role that says it requires strong Power BI skills.”



TREND #7

**Automation
can make our
business more
human**

7. Automation can make our business more human

The workplace of the future need not be a land of robots

Almost all the experts we interviewed were upbeat about the future. They believe software will take on ever more of finance's mundane tasks, so the human beings can concentrate on the things they do best.

"There's this perception that we need to be wary of how far we take technology because it might stop us being relatable and human, but I find the opposite," says **Ewan Bolt of Johnston Carmichael**.

"In the past three years, our firm has adopted so many new systems and internal processes, including AI and 'Betty' the Robot – an automated system for handling payroll tasks – but our head count's gone up, not down. You refocus, you retrain and you offer different services to add value.

"You can improve or enhance the customer experience and look for new revenue and growth opportunities from using technology. You can identify things earlier, see data in real time and act on it far quicker than you ever could before.

"If something can be automated, it will be automated at some point. But although I love technology and systems like iplicit, we need to be able to relate to people and speak to people and understand their challenges."

Mazars' Lara Brennan says: "I've always said you'll still need an accountant because a computer cannot interface with clients in the way that a human being does. You can't build a rapport with a machine. However, it can take away a lot of the mundane processing.

"Our practice has adopted so many new systems and internal processes – including AI and Betty the Robot – but our head count's gone up, not down."



Ewan Bolt
Head of Digital Advisory

**JOHNSTON
CARMICHAEL**

“I think accountants will have a different role. We’ll need people in the business to build the robotics, enable the AI and fix the systems when they go wrong, and we’ll need people to do the analytics so they can mine the data and give insight to clients. And you’ll need advisers, the people who lead the client relationships and deliver the outputs.

“Accountants will move from being compliance-focused to being business advisers and delivering that value, advising businesses a bit more holistically. An accountant will be more of a finance business partner, as opposed to being just the accountant that completes the accounts and corporation tax return.”



That applies just as much for FDs in business – especially when they are being asked to take responsibility for a lot of initiatives outside their traditional role.

“We’re seeing a change in what finance leaders are expected to do,” says **Becky Glover of Yutree Insurance.**

“We’re expected to monitor ESG, climate change and the gender pay gap and pin down those cash flow numbers – and report on it all in beautiful graphs, as well as delivering the really core information that takes the business forward.

“It’s a much broader role now and if you’re not embracing technology, you’re quickly going to crumble under the pressure – or be replaced by someone who can harness the technology.

“Finance is not going to be ‘back office’ any more,” she adds. “We’re going to be at the forefront of the business.”

Nicola Savill of Moore Kingston Smith adds: “Our head count has increased significantly – not just because the business has grown but because we need people for new and different roles.

“Everybody was fearful back when we started using cloud-based tools that their jobs would be gone. But it’s just made our jobs more interesting and valuable.”

Conclusion

Get ahead of the competition with future-proofed finance software



iplicit's true cloud finance software makes the complex simple and accessible.

It was developed for organisations which had outgrown entry-level cloud applications or clunky on-premise finance software – but which did not want the expense and disruption of cumbersome ERP systems.

iplicit's award-winning software delivers powerful automation features, comprehensive reporting and enterprise-level functionality.

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