



THE FUTURE OF ACCOUNTING: HOW WILL DIGITAL TRANSFORMATION IMPACT ACCOUNTANTS

Abstract

The accounting profession is undergoing a transformative era. Cloud computing, automation, and artificial intelligence (AI) are reshaping financial data management and analysis, and accountants are embracing these technologies and developing the necessary skills to speak the language of tech. This paper explores the impact of digital transformation (DT) on the future of accounting focusing on how these technologies redefine accountants' roles and empower them to become strategic partners within organisations.



Accounting in the Digital Age

"The best accountants are not just number-crunchers; they're financial storytellers." – Jessica Turner

Accounting is the language of business, and accounting professionals are financial gurus. This profession has undergone a remarkable transformation to meet the ever-evolving needs of companies. Once relegated to meticulous manual record-keeping with debits and credits in ledgers, accounting moved into the computer age

with software like Tally, QuickBooks and others, streamlining basic tasks.

Today's reality surpasses mere bookkeeping. Accountants have dynamic roles – juggling diverse client needs, navigating complex financial data, and ensuring financial compliance. They serve as guardians, safeguarding businesses from pitfalls. However, their true value lies in unlocking the secrets hidden within financial data. By analysing trends,

predicting risks, and uncovering hidden opportunities, they transform numbers into actionable insights that guide strategic decision-making and fuel growth.

In today's increasingly complex financial landscape, the role of accountants isn't just crucial, it's irreplaceable. They have evolved from bookkeepers to strategic partners, driving organisational success through their financial expertise.

Transformative Technologies in Accounting

Technology plays a pivotal role in transforming both accounting practices and the role of the accountant.

Here's a look at some of the key technologies shaping the future of accounting:

Cloud computing:

- Stores financial data on remote servers, accessible from any internet-connected device.

- Enables real-time data updates and collaboration among geographically dispersed teams.
- Offers scalable storage capacity to meet increasing data needs.

AI:

- Uses algorithms to automate tasks like data entry, reconciliation, and basic financial analysis.
- Learns from historical data to identify

patterns and anomalies, potentially flagging fraudulent transactions.

- Integrates with accounting software to automate repetitive processes and improve efficiency.

Advanced analytics:

- Employs sophisticated statistical methods and machine learning to analyse large datasets to identify trends, forecast financial performance and

- uncover hidden correlations within financial data.
- Provides data visualisations to enhance understanding and facilitate communication of complex financial information.

Emerging technologies:

- **Virtual Reality (VR):** Creates immersive simulations for training accountants on complex accounting procedures.
- **Augmented Reality (AR):** Overlays financial data onto real-world objects, allowing for intuitive data visualisation.
- **Mixed Reality (MR):** Combines VR and AR to create interactive 3D financial data models for deeper analysis.
- **Blockchain:** Provides a **secure and transparent method for recording**

and tracking financial transactions, improving auditability and reducing the risk of errors.

These cutting-edge technologies unlock a wide range of benefits in every industry they touch.



Benefits of DT in Accounting

DT revolutionises accounting by integrating technologies that streamline processes, enhance accuracy, and provide deeper financial insights. By embracing technology, accountants can move beyond traditional methods to deliver more strategic value to their organisations. Here are the key benefits of DT in accounting:

- **Automation:** Technologies such as **AI and robotic process automation (RPA)** handle **repetitive tasks** like data entry, invoice processing, and bank reconciliations. These automated systems handle high volumes of data with accuracy and speed, eliminating the need for manual effort.
- **Integrated platforms:** Digital tools consolidate various financial functions like payroll, expense tracking, and tax calculations into a single platform. This eliminates the need for multiple systems and manual data transfers, creating a more streamlined workflow.
- **Error reduction:** Automation minimises manual data entry and calculations, which are prone to human error. These systems ensure data accuracy and consistency, raising the overall quality of financial data. Anomaly detection features within AI can further identify and address inconsistencies in real time.
- **Enhanced efficiency:** Digital tools make the accounting process faster and more streamlined, enhancing operational efficiency.
- **Real-time data access:** Digital tools provide real-time analysis of financial data, eliminating delays and ensuring that financial reports are always based

on the most current information.

- **Remote work enablement:** Cloud-based accounting systems facilitate remote work and collaboration. Accounting teams across geographical boundaries can access and work on the same data regardless of location.
- **Holistic data view:** Advanced digital tools present a comprehensive view of financial data across various business functions. This enables a deeper understanding of how financial performance impacts different aspects of the organisation.

The advantages of DT in accounting are undeniable. However, a key question remains: How will this automation impact the role of accountants? Are they at risk of redundancy?

The Emergence of the Tech-savvy Accountant

In 2015, whispers of automation replacing accountants sent shivers down spines, with visions of robots taking over cubicles. However, the pandemic's digital surge revealed a surprising truth: automation wasn't the enemy, it was the key to adaptation (a relief!).

What once seemed like a daunting frontier – big data and digital tools – became fertile ground for accountants who embraced the change. DT is not about replacing accountants; it is about empowering them and propelling them into the future. Here's how:

- **Shift in focus:** With automation handling routine tasks, accountants can delve deeper into financial data, identifying trends, forecasting performance, and uncovering hidden insights that inform strategic decision-making.
- **Skills upgradation:** The skills required for accountants are evolving. While core accounting principles remain important, data analysis, technology integration, and communication skills are becoming increasingly crucial. Accountants

need to translate complex financial information into actionable insights for non-financial stakeholders.

- **Strategic partnership:** DT allows accountants to transition from data processors to strategic advisors. They can partner with other departments within organisations, providing valuable financial insights to guide business strategy and drive growth.

The Emergence of the Tech-savvy Accountant

"Accounting is not just about counting beans; it's about making every bean count." — William Reed

Early accounting software programs ushered in a new era, leaving rote bookkeeping behind and shattering the dusty ledger stereotype. Tomorrow's accountants will build on this progress, transforming from data processors into data detectives. These financial sleuths

will unearth trends, predict risks, and mine financial data for hidden gems. Equipped with a powerful skill set that blends data analysis, technology integration, and communication expertise with core accounting principles, accountants are poised to evolve from data processors to strategic advisors.

As financial analysts, accountants translate complex information into actionable

insights for non-financial stakeholders, solidifying their role as strategic partners driving organisational growth.

This future is bright for those who embrace DT and hone these new skills. By becoming indispensable partners in driving organisational growth, accountants will solidify their place at the forefront of business success.



How can Infosys BPM help?

Accountants play a crucial role in organisations in today's digital age. Empower your team and streamline your

processes with Infosys's innovative **BPM for finance** solutions. Combining our deep industry expertise with a cutting-edge

technology platform, we're dedicated to fuelling your organisation's growth. Ready to embrace the future of accounting?

For more information, contact infosysbpm@infosys.com



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