

# Inside<sup>+</sup> **OUTSOURCING**<sup>®</sup>






The newsletter for forward-thinking professionals

## Accounting talent: In at the deep end

Our Accounting Talent Index highlights that practice leaders are struggling to navigate through a shrinking talent pool.

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# Keeping track of accountancy's skills shortage

Advancetrack's inaugural Accounting Talent Index lays bare global issues around an increasingly scarce resource, is adversely affecting the strategic and operational plans of practices.

THE ACCOUNTING TALENT INDEX, a new global research study from Advancetrack, reveals almost half of firms are being 'significantly' affected by an 'existential' crisis.

As practice leaders look to create a sustainable and profitable future, their talent resource strategy will need to be laser-focused.

The first-ever Accounting Talent Index, conducted and produced by Advancetrack, lays bare that firms across the globe are stricken by skills shortages.

The index reveals that of 280 senior

practitioners interviewed, 74% said their firm is 'significantly' or 'severely' affected by a lack of skills.

The report found reasons for this ranged from more competition for talent from commerce firms to fewer people attending and graduating from university, as well as the effects of the Covid pandemic and an ageing workforce.

Vipul Sheth, MD of Advancetrack, said: "Our Accounting Talent Index, released today, shows how the acute lack of accountants has emerged as a critical bottleneck, and its impact

has been nothing short of severe, impacting businesses, institutions and economies on a global scale.

"While the solutions are not exhaustive, or all yet identified, significant strides can be made by investing in the development of accounting talent, rethinking recruitment approaches, and promoting the essential role of accountants in supporting economic stability."



Gain valuable industry insights, strategic recommendations and stay ahead of trends by [downloading the Advancetrack Accounting Talent Index](#) for free.



# A step-change in accountancy resource management is afoot

KEVIN REED picks out talent and resource as critical areas for the future of both accountants and the practices in which they work.



WHEN YOU'VE ATTENDED accountancy events (particularly tech-focused ones) over the course of 21 years as I have, it can be difficult to spot trends at the next gig on the list.

Many of the 'new tech trends in town' have been driven by some form of regulatory change; from Lord Carter's 'digitisation of tax' plans in the mid-noughties that have led us to Making Tax Digital (MTD), through to pensions auto-enrolment and its impact on payroll services.

There are also technological leaps that translate from the consumer into B2B; such as 3G and smart mobiles (aka the iPhone), which drove the creation of a gazillion apps.

However, looking at events over most two/ three-year periods, one can be forgiven for thinking: what's changed?

Generative AI has been a part of public discourse for the last couple of years, while AI in the context of 'robotics' and automation has formed a central part of accountancy tech events since pre-pandemic.

## ALL ON SHOW

I have a very unscientific way of gauging trends from the major accounting tech shows: look at the vendor list and try to gauge which ones are new or more prevalent. I might even just ask someone else who's done the groundwork (journalists will cut to the quick wherever possible, particularly if it saves them legwork).

And, at Accountex 2024, it felt like there was a step change. Dozens of vendors offering a range of outsourcing and offshoring options. Of course, after a stellar few years, Advancetrack was literally front and centre.

It isn't really for me to question the quality or capabilities of the vendors on show. But it seems that the market for outsourcing and offshoring is growing – and finally out of the





shadows. Outsourcing and offshoring aren't 'new' – for example, Advancetrack is now in its 21st year – but it feels like there is a broader acceptance that both models are now a viable and valuable option in a resourcing manager's armoury.

## THE ACCOUNTING TALENT INDEX

And what has driven that acceptance? Well, it's complicated. However, the launch of Advancetrack's [Accounting Talent Index](#), at its gbX conference, provides some pointers.

This ground-breaking research looks at the range of pressures that practices face in terms



of their most precious resource: their people. In terms of context, the Index highlighted that the number of people taking accountancy qualifications is (generally) falling; that accounting salaries for younger staffers is uncompetitive, and other professions are becoming more attractive.

The Index then questioned 280 practice leaders across the globe about their views on managing and developing talent. The responses were sobering. Nine in ten leaders say they are working longer hours as a result of being unable to recruit or retain talent, while 89% said their firm had been either 'severely' or 'moderately' impacted.

## WHAT DOES IT ALL MEAN?

There's no doubt the pressures are, as Advancetrack's new APAC general manager Craig McKell described it at gbX, a multi-headed "Hydra" of problems (*left*), including:

- You're struggling to recruit;
- Fewer people are studying accountancy;
- Some of those you have may need to 're-skill' in a world of AI and analysis;
- New recruits and existing staff salaries are rising; and
- Clients want more from you, but in a fragile economy where some are struggling.

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“Whether it’s outsourcing, offshoring, AI or automation, there are various solutions to the current talent and resourcing issues that accountancy faces”

It is no wonder then, that when resources are constrained and expensive, outsourcing and offshoring have come to the fore.

Ironically, those who outsource and offshore are also under similar resourcing pressures (though Advancetrack may well argue that their access to accounting talent is currently plentiful). However, AI and automation are also potential answers to the resources question and a threat to the outsourcing model.

### THREAT VS OPPORTUNITY

There are many that are petrified about this existential threat to the accountancy profession. As a journalist covering the profession for nearly 25 years, and easy for me to say, but I have to admit that I am more excited than concerned.

The accountant in practice has evolved into the ‘adviser of choice’ for businesses and individuals. Broadly speaking this has become even more intense post-pandemic.

Technological developments have eroded, and continuing to erode, some of the number-

crunching work undertaken by the profession. Ultimately, I think we will need fewer qualified accountants – at least in their current guise – than we have in the past.

However, the world continues to become more complex, and areas such as tax, accounting and audit follow suit. We are always going to need experts in these fields. But for practices to be sustainable, they will need to be laser-focused on data management and verification, while becoming better at communicating more frequently – and in a more valuable – way to their clients.

Whether it’s outsourcing, offshoring, AI or automation, there are various solutions to the current talent and resourcing issues that accountancy faces. But the successful and sustainable practices of the future will be the ones that truly get a handle on talent, skills, and roles – in other words, good old-fashioned humans.



Kevin Reed is a freelance journalist and editor. His views may not represent those of Advancetrack.





# We're only human...

...and communication is what sets us apart. Communication is a key aspect of setting up, and maintaining world-class outsourcing, and offshoring accounting operations.

IN A PREVIOUS BLOG on [‘talking the talk’](#), we explain how important it is to keep open communication lines with your clients. We also discuss how accounting practice leaders must communicate with their teams when looking to implement outsourcing of accounting operations ([FAQ: What do I tell my team about outsourcing accounting, and what it will mean for them?](#))

So, what about Advancetrack’s team, and yours? If we take a step back, then it’s clear that we are here to support the engine room

of your practice: processing of tax returns, accounts and more.

Our processes, systems and security are absolutely integral to us providing accountancy firms with accurate and timely information. But, without open and consistent communication lines between us and you, then we end up with a sub-optimal situation. Rather than an engine room, Advancetrack prefers to consider itself an accountancy firm in its own right – one where other accountancy firms are our client partners.

This means that we mirror the way in which other practices work. Clearly, the best accounting practices communicate with their clients and understand what they need. These practices are an extension of the clients, a crucial part of both their back office but also there to help them drive forward. Advancetrack’s teams consider themselves a part of the practices they serve.

AI and automation are going to transform the way in which we work, but the human factor in business cannot be discounted; in fact, the opposite. Human understanding, empathy and insight will always be a premium.

For us at Advancetrack, it sits on top of a foundation of great technology.



If you’d like to talk to Advancetrack about supporting your accounting practice, please [book a call today](#).



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