

WOODARD

A WOODARD WEBINAR

**Is
Bookkeeping
Dead?**

WOODARD™

- Education
- Coaching
- Community
- Resources



Joe Woodard

- Published author McGraw Hill, *Accounting Today*, *CPA Practice Advisor*, *AccountingWEB*, *The Journal of Accountancy* and *Insightful Accountant*.
- Career Trainer to over 125,000 accounting professionals
- 2012, 2014 – 2019 – Top 100 Most Influential People by *Accounting Today*

Is Bookkeeping Dead?

Disruption 1: Technological Advancements

Data Automation

- Source Document Fetching
- OCR and Data Parsing
- Process Automation with General Ledger Integration
 - Payables
 - Receivables
 - Expense/Expenditure Automation
 - Banking/Lending Feeds/Imports
 - Payroll Outsourcing (Fed by Timesheets Not Entered by Bookkeepers) with GL Integration
 - Sales Tax Tracking Automation and Outsourced Filing/Compliance
 - Integrated 1099 Solutions with e-Filing Capabilities
 - Automated Amortization, Fixed Asset Depreciation, Accruals and Revenue Recognition??
- Front End and Operational System Integration → Gaps closing tight through data pumps (e.g. Zapier)

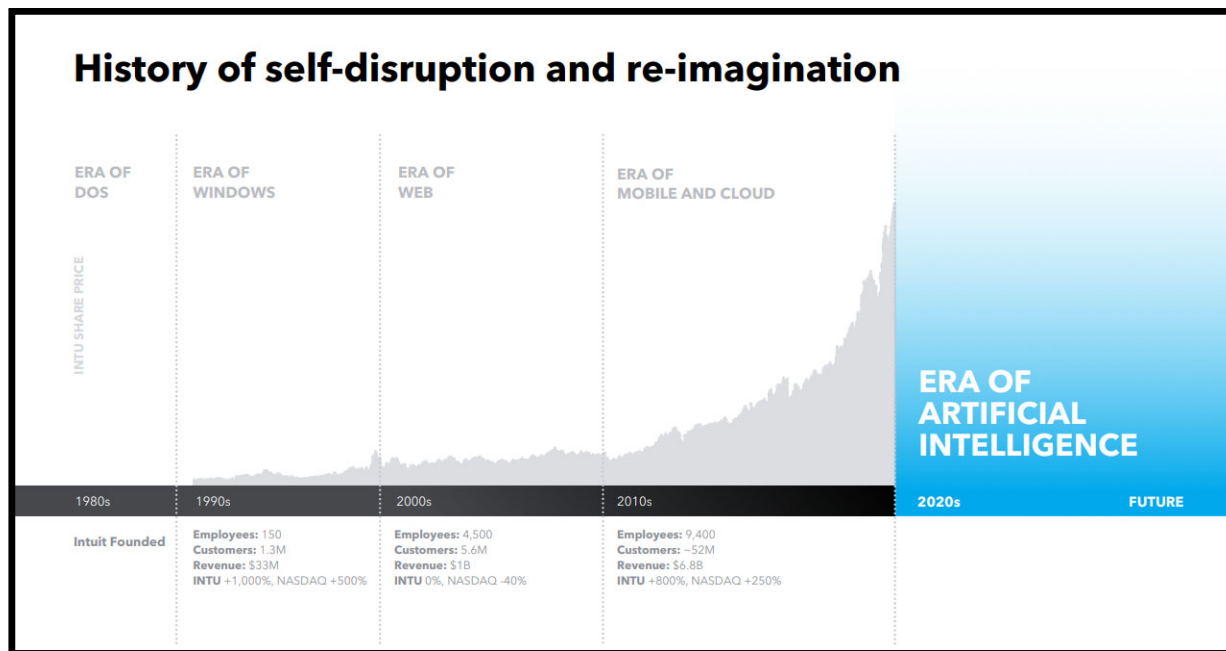
Distributed Ledgers

- Internet of Information and the Internet of Things Expands to Include the Internet of Value
- Valuable items (currencies, contracts, copyrighted materials, licensed materials, etc.) are exchanged with the same ease as information
- To avoid double payment, the valuable item is placed into an encrypted block which is then added to a chain of encrypted blocks
- Only the intended recipient can “reach” into that block to receive the valuable item

Machine Learning

- A component of artificial intelligence, not its synonym
- Learn = progressively improve performance on a specific task without being explicitly programmed
- Algorithms that run based on data sets that run more effectively as the data sets are expanded and/or regularly mined
- Data automation often leverages machine learning (e.g., optical character recognition, data parsing and auto-mapping of imported data)

Intuit's Future is an AI Future



Source: Intuit October 2019 Inventory Day Presentation

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Intuit's Future is an AI Future

intuit  turbotax  quickbooks  mint

The evolution of our strategy is to become an “AI-driven expert platform”


This is about becoming an open, trusted and easy-to-build-on platform where we and others partners solve the most pressing customer problems and deliver awesome experiences. Learn how we plan to accelerate growth by focusing in five key areas

<https://www.intuit.com/strategy/>

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104

Machine learning models in production for Intuit products

447

Patents Filed by Intuit

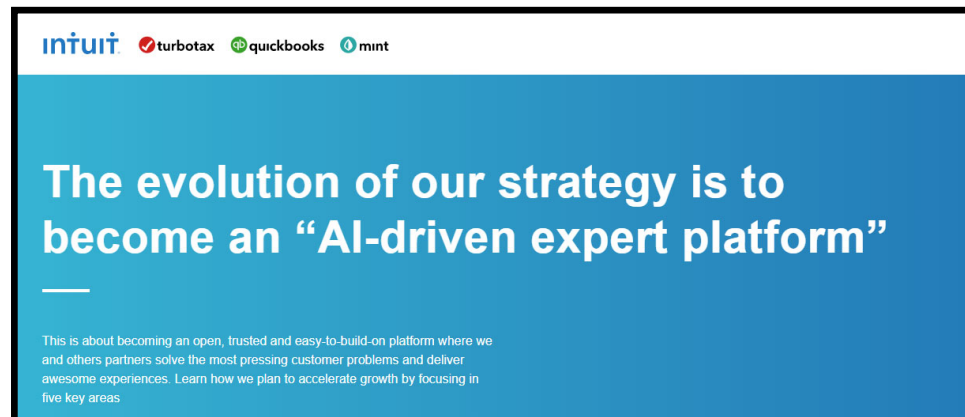
60%

Increase during Fiscal Year 19 in number of employees working in AI at Intuit

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Intuit's Future is an AI Future



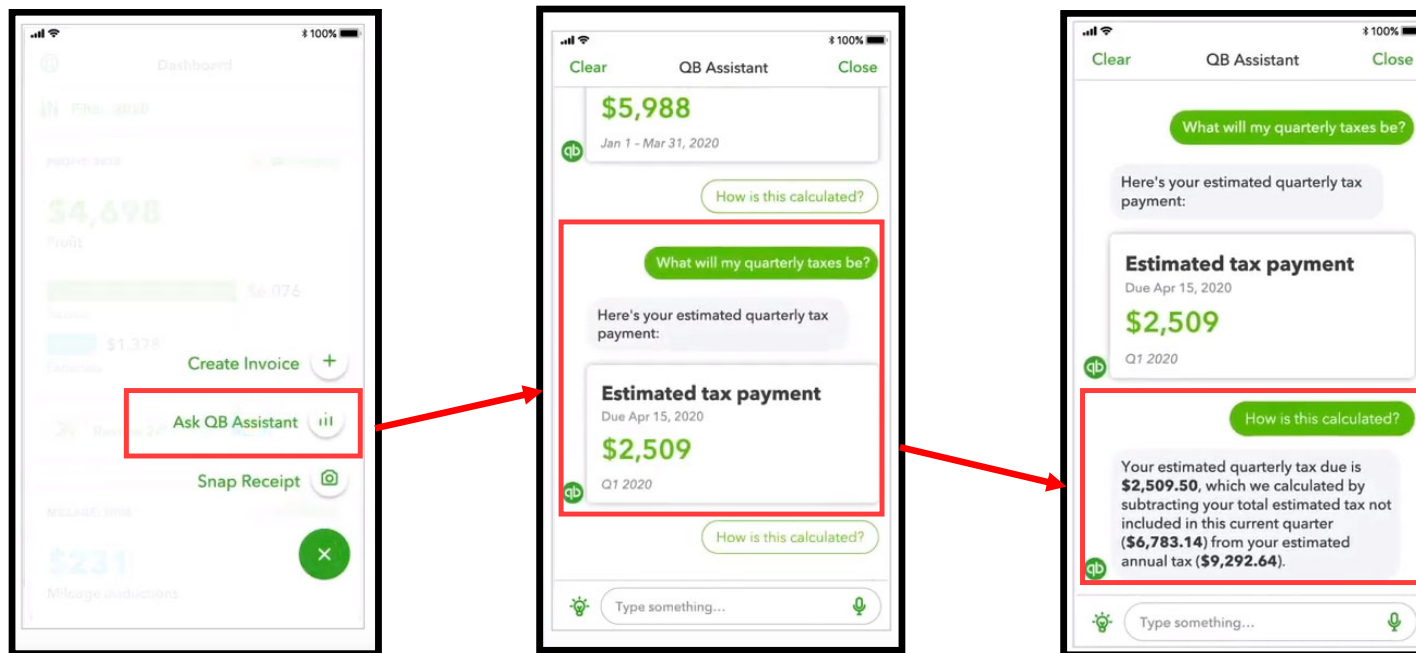
"QuickBooks takes rules like IRS regulations and relationship across data sets and turns them into code. This enables Intuit to tell its customers in real time why QuickBooks reaches a specific outcome."

Marianna Tessel, CTO at Intuit

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Intuit's Future is an AI Future



Is Bookkeeping Dead?

The Impact of Technology Disruptions on Professional Bookkeepers

- **Now:** Automation is becoming more robust...routing fewer transactions for human entry and reducing the validation/curation performed by human bookkeepers
- **Now:** General Ledger solutions are morphing into data warehouses, providing strong data sets for machines to “learn” → accelerating the impact of bullet 1 above
- **5+ Year Horizon:** Machine learning will become so “smart” that it will mimic human thought processes
- **10+ Year Horizon:** Distributed Ledgers will eventually overtake banking as the preferred means of transferring currencies, creating highly accurate automated ledger tracking with *every* transaction verified for authenticity and accuracy of posting through the third party in the transaction.
- **Now:** General Ledger solutions will leverage their own automation, machine learning and AI technologies to offer professional services at scale



QuickBooks Online has access to over 26 billion small business data points from both the Intuit user ecosystem and third-party sources...*prior* to the acquisition of Credit Karma!

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Disruption 2: Competitive Forces

Finance Pals

\$50/Hour

 **intuit quickbooks.**

\$270, \$470 or \$670/Mo

 **wave**
DGYIVRUV

\$129/Mo

Bench 

\$139-\$299/Mo

 **bookkeeper**
.com

\$285-\$495/Mo*

 **BELAY**

Custom Fixed Fee Pricing

*Pricing based on transaction volume

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QuickBooks Live

Original Concept

QuickBooks Live Supports
Businesses Doing Their Own
Bookkeeping

QuickBooks Live is Structured for
Businesses Who are Small and Not
Yet Ready to Hire a Professional
Bookkeeper

Randomized Support Pool

Now

QuickBooks Live is Full-Service
Bookkeeping

QuickBooks Live has a service tier
designed specifically for businesses
with over \$150k in monthly
expenses.

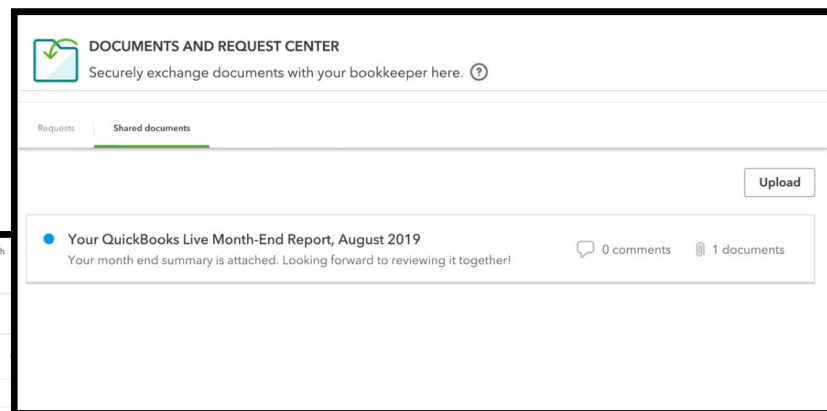
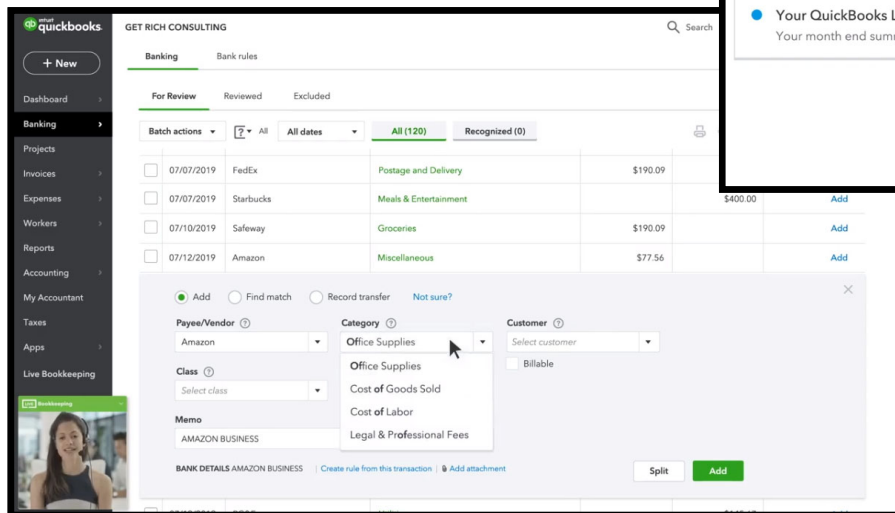
Dedicated Support Team

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QuickBooks Live

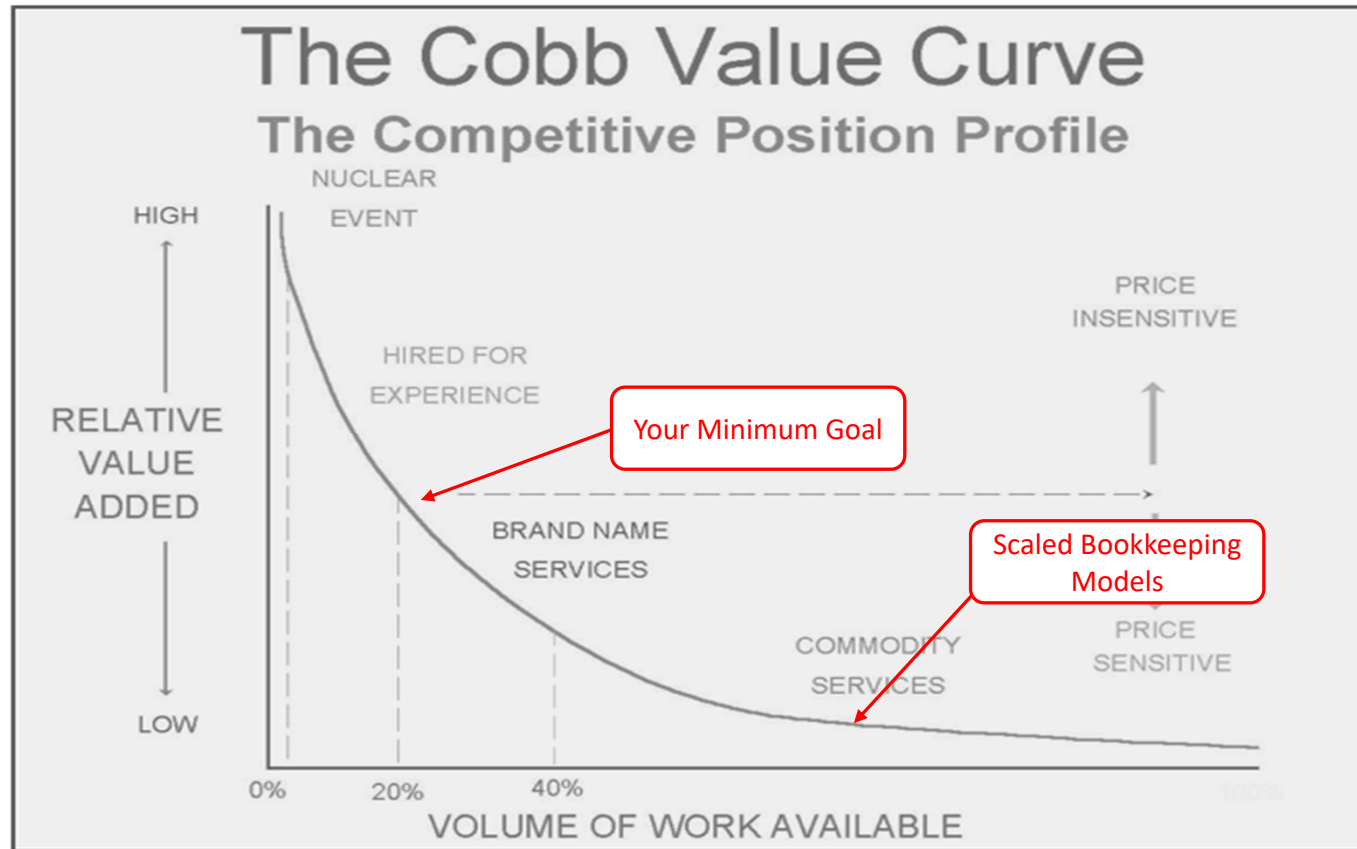


“Intuit is digitizing the services industry.”
Rich Preece, Former Leader of QuickBooks Live at
Intuit, October 2019

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Disruption 3: Price Commodification



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The Professional Bookkeeper's Response

Responses to Bookkeeping Disruptors

Leave (or Scale Back on) Professional Bookkeeping → e.g. Become a “Gig-Economy” Intuit, H&R Block or Bench Employee

Assuming You Want to Continue as a Bookkeeping Practitioner...

- Differentiate yourself by working with businesses that QuickBooks Online and many other SMB cloud platforms cannot currently support (e.g. construction and warehouse management, support these companies on hosted QBD (or connected through Qbox).
- Focus with extreme intention on the modernization and automation of your process
- Shift the focus of your value proposition to “board room” work, positioning bookkeeping as a subset of your advisory work, couple with full back office outsourcing and target businesses where \$1,500+/month is the right price point.

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Woodard's Answer to the Question



Is Bookkeeping Dead?

No...but professional bookkeeping has a shortened lifespan unless you expand your services, modernize your practice, explore working with larger businesses, and...**most importantly...get serious about folding advisory into your bookkeeping practice.**



Questions

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