



## Use Disruption To Benefit Your Client's Team and Firm

Hello, I'm Peter Towers, Managing Director of ESS BIZTOOLS. Welcome to Accountants Minute.

This is part of our theme over the last three or four issues of Accountants Minute when we've been looking at what you need to do to add value to your clients' businesses.

Innovation is very much in vogue. Accountants need to be looking at innovation just as other businesses have to. It's quite appropriate, in this week of ATSA 2016, to revisit some of the comments that were made at Australian Technology Showcase for Accountants (ATSA) 2014, also in Melbourne, by Jason Bender a partner of Deloitte. Bender made one of the best presentations that I've ever heard, especially by an accountant. He said *"digital disruption was going to have a significant impact on the accountancy profession"*. Two years later I think you'd have to agree that Jason Bender was correct.

He also said that *"disruption doesn't mean that revenue was gone; however there is a need for accountants to develop strategies on how to respond to changing market conditions"*. What does that mean to your firm?

In recent weeks there has been some debate in accountancy circles as to what the impact of change is going to be, especially on taxation returns and taxation work and I'm on the public record as having said that there will always be taxation returns and work to advise clients on taxation issues. However I really do believe that there will be a significant change in the income mix of most accountancy businesses because of digital disruption, other competitive pressures and the changes that are coming from the Australian Taxation Office. At this week at ATSA in Melbourne we may learn more about that when the Second Commissioner of Taxation addresses the ATSA conference later this week.

One of Bender's most pointed comments was *"don't let what happened to Kodak happen to your accountancy business"*. As you all know, Kodak had developed the technology for all types of digital cameras; they'd even registered a patent, but then management decided to sit back and continue with their current modus operandi, feeling quite smug that they were secure in the future. Unfortunately for them other companies were also looking at the new opportunities. It was their era of "digital disruption" and by the time Kodak realised that they needed to go down the path of commercialising the product that their team had already invented years before, they found that others had beaten them in the market place. The ultimate result was that Kodak went broke.

Jason Bender said *"if accountants are not careful, the profession could really suffer over the next few years"*. A very important comment that he made was *"don't let this happen on our watch"*.

He also explained it by saying that it's a bit like the rear vision mirror on your car; you don't know how close the car behind you really is.

This now concludes the theme that we've been going through over the last four issues of Accountants Minute on "Adding Value To Clients' Businesses".

ESS BIZTOOLS has a full range of products to assist accountancy businesses and business consultants to develop a new range of income streams which, we believe, should be centred on Business Advisory Services.

Please visit our websites:

- ESS BIZTOOLS - [www.essbiztools.com.au](http://www.essbiztools.com.au)
- ESS BIZGRANTS - [www.essbizgrants.com.au](http://www.essbizgrants.com.au)
- ESS BASIP - [www.essbasip.com.au](http://www.essbasip.com.au)

A copy of our article "Predictions of Accounting Businesses Evolution 2016/17 - 2018/19"; is attached to this transcript.

Have a great week.

Peter Towers

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