

Leverage Advanced Technologies, Achieve Business Goals

More Companies Turn to Public Accounting Firms When Adopting, Managing and Using Cutting-Edge Information Technology

Companies from multinational corporations to small businesses are leveraging cutting-edge technologies such as cloud computing and mobile devices to develop new business opportunities, attract and keep customers, control costs and achieve other strategic goals. In the process, more companies are turning to public accounting firms for advice in adopting, managing and using information technology.

Only a few years ago, in the depths of the recession, companies were mainly focused on how to reduce IT and other costs. Now that the economy is slowly recovering, companies are taking a broad approach to IT planning and implementation, not only to reduce costs but also to improve the bottom line. To help achieve these goals, more companies are adopting cloud computing.

To be sure, cloud computing is in the early stages of adoption, and not all cloud solutions are mature enough for every industry or every application. Some companies are at the forefront of adoption while others are moving cautiously. But the trend to cloud computing is accelerating and, before long, most companies could be keeping most or all of their data in the cloud. This virtualization of data – the virtual desktop – gives organizations more flexibility to access data anywhere, anytime. It also helps to reduce the risks of the loss of data from computers or mobile devices.

But as data move to the cloud, companies could face increased risks of the loss of cloud-based data as the result of theft or other causes. Companies must balance these risks against the pressures to keep pace with competitors in adopting cloud computing. Simultaneously, they must continue to protect data that remain on devices and hard drives.

Risk Management

With their experience in advising clients on managing a broad range of risks, including IT risks, public accounting firms such as McGladrey are seeing an increase in demand for their risk management services as companies move to the cloud. In addition, they are providing a broad range of risk management services that include IT components. For example, firms are advising companies on complying with



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Risk Management (continued)

the Health Insurance Portability and Accountability Act (HIPPA), Sarbanes-Oxley and other laws and regulations. In another service, they are helping companies to address IT questions asked by prospective lenders, such as whether a company has a written IT security plan, a disaster recovery plan, and a plan for protecting the privacy of employees.

Outsourcing

As cloud computing comes into wider use, companies are reevaluating their business models; for example, they are beginning to outsource more services such as finance, IT or training that had been in-house. Among other benefits, outsourcing enables companies to focus on core operations and spend less time and fewer resources on peripheral activities that are not central to producing revenue. The cloud has given companies a more flexible and efficient means of collaborating with service providers and using their services. The trend toward cloud-based outsourcing is increasing business for public accounting firms that provide a range of outsourcing services.

Marketing

Companies today use a variety of technology tools and platforms to market products and services that create more value for clients and customers. The challenge for companies is in developing an integrated marketing strategy, one that uses the right mix of web-based tools, social media and other technology to identify, target and market to prospective customers. To this end, public accounting firms are advising companies on how to make the most effective use of technology in marketing.

Collaboration

Technological advances have enabled stronger collaboration between public accounting firms and their clients. Firms are closer to their clients, maintain better communication with them, and respond more quickly to client issues. This has helped firms to deliver more value to clients, sell more services to them, and retain current clients and attract new clients. For their part, companies and other clients benefit from improved communication with firms, working more closely with firms in solving problems or identifying new business opportunities, and more effectively managing technology.

Outlook

Companies must adapt quickly to rapid change in information technology to capitalize on business opportunities, manage risks and stay competitive. Public accounting firms can help them to be at the forefront in adapting to change.

