

How Firms Can Justify the Cost of New Technology

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Columnist

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Outsourced accounting firms are the back-office heroes of small business – champions that can banish nearly any tedious and time-consuming administrative headache for their clients, from 11th-hour payroll processing and account reconciliation to managing the monstrous month-end close.

But there is one nagging issue, one recurring challenge, these outsourced accounting firms face within their own offices that isn't so easy to dispatch, said Nicholas Fedele, CPA, president of Lumiola Consulting, a New Jersey-based consulting firm that helps small businesses improve their accounting processes through the use of technology.

They know they need to upgrade their technology to grow their business and better serve their clients, but they still struggle to justify the cost.

“Accountants fundamentally understand that growth warrants changes in the technology they use,” Fedele said. “They recognize that a new software platform that integrates all the varied applications their clients are using will improve their firm.”

But they still initially hesitate to commit to the cost of purchasing a larger software platform – a Workato or a FloQast, for example – because the return on investment isn't immediately evident.

It's understandable, Fedele concurs, that the first question accountants ask themselves when they begin to think about buying new software is: "How am I going to absorb this cost?" But it also misses the mark.

Instead, the first question accountants should ask themselves when purchasing new software should be: "How can I justify this cost? What are we, my firm, and

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Deanna Arteaga is a professional freelance writer and public relations specialist who for the past six years has covered CPA industry trends for AccountingWEB. She also writes about CPA...

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