Future Proofing Your Practice – Part 1
Discovering the Machines

Joe Woodard
- Career Trainer to over 100,000 accounting professionals
- 2012, 2014, 2015, 2016 and 2017 – Top 100 Most Influential People by Accounting Today
- 2008 Top 40 Under 40 Up and Coming Thought Leaders by CPA Practice Advisor
What You Will Learn

• The 4th Industrial Revolution
• The Disruptive Technologies Driving the Change
• The Impact of the Coming Change on the Professions
• The Accountant’s Response

About the June “Tame the Machines” Conference

• Over 1,200 accountants and bookkeepers
• Over 120 unique breakout sessions
  • Highly Advanced Training on QuickBooks and Excel
  • Practice Growth and Development Training
  • Special Tracks for Tax Preparers
  • Cutting Edge Sessions on Technology Innovations and Disruptions
  • …and More
• Intuit Executives, Program Managers, Product Managers and Product Experts
• 100 Exhibitors featuring QB-Integrated Applications
• World-Renowned Presenters

Conducted in Cooperation with

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The 4th Industrial Revolution

The Industrial Revolutions

1. Water and Steam Engines
   - Reduction in Need for Horses and other Beasts of Burden

2. Mass Production with Electric Power
   - Reduction in Labor (Almost Entirely Blue Collar Jobs)

3. Electronic and Robotic Automation of Production
   - Reduction in Labor (Administrative Jobs Impacted)

4. Ubiquitous, Highly Connected, Intelligent Machines
   - Reduction in Labor (Admin and Professional)
The Disruptive Technologies Driving the Change

Data Automation

• Source Document Fetching
• OCR and Data Parsing
• Process Automation with General Ledger Integration
  • Payables
  • Expense Reporting
  • Time Tracking, etc.
• Front End and Operational System Integration
• Etc.
Projections around Data Automation

- Automation will become so accurate that bookkeepers no longer need to enter or even validate or complete data
- Automation will displace all manual processes for tax preparers
- Automation apps will eventually provide accurate and researched tax planning
- Software solutions will automate the leg work of assurance services – with cross referenced work papers – and send the financials for partner review and signature
- Automation will become commercially available and ubiquitous

About Distributed Ledgers (e.g. Blockchains)

- 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 is able to “reach” into that block to receive the valuable item
Distributed Ledgers

A transaction between 2 parties occurs

The transaction is added to an online transaction ledger encrypted with a digital security code

The code of the transaction is sent to a large network where the authenticity of the code is confirmed without compromising private information and eliminating the need for a central authority for confirming transactions

Once a transaction is confirmed and validated by several parties, it exists on the ledger of each as a permanent and immutable record of the transaction

The transaction information is recorded in a public ledger and the transaction is completed

Projections around Distributed Ledgers

• The exchange of currencies across distributed ledgers is already as easy as sending an email → the elimination of checks, wires and other transactions that are currently centralized through banks
• With each transaction between parties tracked on both sides of the transaction, there will be no need for audit processes like transaction sampling and third party verification
• Banks will diminish...or transition into providers of blockchains
• Governments will convert to cryptocurrencies...or global corporations will displace government curries with their own cryptocurrencies
• Prosperity of individuals will be protected without the need to share this prosperity with centralized distributors and validators (e.g. banks, music companies, publishers, etc.)
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)

Projections around Machine Learning

- Platforms (like QuickBooks Online) will continue to become more holistic and centralized data warehouses
- Platforms will continue to increase access to these data warehouses, opening up more and more data points to third party developers
- With expanded data accessibility and stronger platform integration, machine learning will become more effective (“smarter”)
- Data automation for bookkeeping (and eventually tax preparation and audit work) will involve less completion, verification and validation by accountants
Artificial Intelligence

• **Definition:** Artificial Intelligence is a collection of advanced technologies that allows machines to sense, comprehend, act and learn. (Source: Accenture)

• **Nature:** AI mimics human thinking, but in ways that are very different from the processes of the human mind.

• **Impact:** Unlike other technological advances, AI will eventually complicated processes and knowledge work

Projections around Artificial Intelligence

• Steve Hawking describes Artificial Intelligence as the greatest event in the history of humanity.

• Kurzweil projects Artificial Intelligence will reach parity with human thought by 2029

• Daniel Susskind, author of *The Future of the Professionals* projects a massive disruption in the job market. The Boston Consulting Group agrees saying that 25% of existing jobs will be displaced by 2025.

• Elon Musk calls AI “Humanity’s Greatest Existential Threat” and is calling for a worldwide ban on its development.
The Impact of the Coming Change on the Professions

My Rubik’s Cube “Need”

**My Options**

- Find and Pay Someone with the:
  - Knowledge (Intellectual Property)
  - Skills (Learned/Conditioned Dexterity)
- Locate the Information and Develop Lay Abilities
- Leverage Available Technology (“There’s an App for That”)  
- Remove Myself and All Humans from the Equation (Routine Process + Robotics)
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My Rubik’s Cube “Need”

**What If**

...my unsolved Rubik’s Cube represented a threat to my ability to survive or a hindrance to my ability to thrive?

...my only option for solving my Rubik’s Cube is a small band of experts with tightly controlled answers?
The Grand Bargain

A World without Ready Access to Information + No Access to Technological or Automated Solutions = The Grand Bargain with the Professional

The Grand Bargain

In return for access to a specialists’ extraordinary knowledge in matters of great human importance, society has granted them:

- A mandate for social control in their fields of specialization
- A high degree of autonomy in their practice
- A license to determine who shall assume the mantle of professional authority.

A Social Monopoly
Disrupting the Grand Bargain

**HAL 9000**

↓↓↓↓

**IBM9000**

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**Watson: IBM’s Real “Hal 9000”**

- Beat Jeopardy’s Two Leading Champions
  - At the time Ran on a Computer the Size of a Household Bedroom
  - Is now the size of 3 pizza boxes
  - By 2020 will fit into mobile devices
- Can Diagnose Patients, Prepare Treatment Plans and Conduct Medical Research
- Can Analyze Billions of Lines of Big Data to Perform Management Consulting Services...and so much more!
Watson: IBM’s Real “Hal 9000”

“Scaling the greatest minds to every mind.”

“Every professional on the planet can be as good as the best professional in their field with the help of a cognitive assistant.”

Watson: IBM’s Real “Hal 9000”

“Watson Democratizes Knowledge”
The Grand Bargain

A World without Ready Access to Information + No Access to Technological or Automated Solutions = The Grand Bargain with the Professional

TAME THE MACHINES

The Accountant’s Response
The Accountant of the Future

• Curators of Technologies that Perform Bookkeeping, Compile Financial Statements, Conduct Audit Work and Prepare Income Tax Returns
• Interpreters of Financial Information with Complex Implications
• Business Coaches
• Management Consultants
• Technology Advisors
• Inter-Professional Collaborators
• The Human Component of the “Cold” Solutions Provided by Cognitive Assistants

Imagine human beings across the world – rich and poor – having direct access to living, evolving treasure-troves of help, guidance, learning, and insight that will empower them to live healthier and happier lives.

Imagine accounting professionals providing the human element for this extreme level of widely available and affordable expertise.

Imagine a world where accountants are once again “called” into the profession in the service of humanity.
Leverage new technologies to greater effectiveness and efficiency

Transcend new technologies by embracing knowledge work and relationship work

Up Next in the Webinar Series

PART 2
Leveraging the Machines: Creating Extreme Efficiencies and Profits through Process Automation
1:00-2:00 PM EDT
3/20/2018

PART 3
Transcending the Machines: Expanding Your Role Beyond Business Compliance to Business Coach
1:00-2:00 PM EDT
4/24/2018
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