ACCOUNTING IN THE DIGITAL AGE
HOW THE PANDEMIC HAS CHANGED THE INDUSTRY
It is difficult to think of a time of more rapid change in the business world than what we’ve witnessed over the past few years. In my role at the Villanova School of Business (VSB) and over the course of my nearly 30 years of professional and academic experience in the accounting field, I certainly haven’t seen anything like it.

The global pandemic has changed the nature of work and how work gets done across almost every discipline. Companies moved to remote work by necessity, and some have stayed that way, or remain in a hybrid work environment. Necessity is indeed the mother of invention as the pace of technological advancements and implementation of new ways of doing business has been unprecedented.

The pandemic has fundamentally changed business in three key areas that have a significant impact on the role of the accountant: (1) the use of technology to automate processes; (2) the use of data to gain insights; and (3) the use of technology to create products and services.

The collective result of these digital transformations represents an overall strategic shift for companies, now that they have access to new information, insights, and data to inform decision-making.

Process Automation

In previous issues of this publication, I wrote about the role of artificial intelligence (AI) and technological advances in transforming the audit and tax functions. Many repetitive tasks traditionally completed by humans can now be handled through AI, robotic process automation (RPA) and machine learning. Tasks that once took hours or days can now be done in seconds.

The pandemic has only increased the pace that technology is being used to automate processes. Companies that may have been resistant to adopting new technologies have been forced to do so to remain in business.

What does this mean for accounting professionals? Some fear professional ac-
counting roles will no longer be necessary, but I think the opposite will be true. With technology-driven automation freeing up employees from more mundane tasks, employees can now spend their time on situations that require more judgment, nuance and human interpretation. Instead of being made obsolete, traditional accounting roles are being redefined with higher expectations for new accountants.

Consequently, companies are seeking employees with a more diverse range of abilities than just pure technical accounting knowledge. A report from the Institute of Management Accountants (IMA) states “professional accountants—in every part of our profession—need to be prepared to contribute to the success of their organization, to be “value creators,” adding value for both internal and external stakeholders. Skill sets that were sufficient in the past are now becoming obsolete. Accountants must develop and use more complex competencies earlier in their careers.”

Data-driven Insights

Advances in technology mean that companies have access to more data than ever. Sometimes referred to as “Big Data,” this information is only meaningful if it’s able to be interpreted and leveraged accurately and efficiently. Accounting professionals who possess the skills to not only extract but also interpret and effectively communicate the meaning from the data are well-positioned for success.

The paper “The Impact of Big Data on Finance Now and in the Future,” explains how “the increased emphasis on data provides an opportunity for finance and accounting professionals, with their traditional proficiency in pulling data from a variety of information systems, manipulating the data, and gleaning insights from that data, to build on this core competency. By doing so, they can enhance their role within the organization and serve as business partners with other areas of the organization.”

As more data becomes available, companies need individuals with the business acumen and strategic abilities to gain insights from the data. These individuals must be able to analyze fraud and financial risk implications and leverage insights to help inform company strategy and business development as well as serve as data stewards who preserve the accountability of the firm. They will also need the skills to be effective communicators and collaborators within an organization.

New Products and Services

The third area that has impacted the role of accountants is the use of technology in creating new products and services. Traditionally, technology has typically been developed in a silo, created for a specific use in a specific department or area of the business. Now, broader access to new technology and data solutions to inform decision-making has resulted in a more decentralized and cross-functional team approach to developing new products and services.

From a corporate perspective, the cost accounting element of strategic planning is an emerging and significant trend that was accelerated by the pandemic. According to a 2020 Deloitte report, “Decisions that companies make today to cope with the COVID-19 crisis can help or hinder their positioning for the future. By using cost reduction and performance improvement strategically to transform the enterprise and improve competitiveness—which includes investing in key capabilities such as automation and remote work that align with the new realities of a post-crisis business environment—companies can leverage their cost savings and improvement efforts to not only transform how they operate, but to position themselves to thrive in the next normal.” These efforts allow the company to allocate resources to areas that will increase overall profitability.

Accounting and corporate finance personnel have a unique role to play as part of these efforts. They can help determine how costs should be allocated and to ascertain the financial benefits and returns associated with these new solutions as a basis for strategic investment and portfolio planning.

Using cost-accounting data helps inform decision-making and planning by considering the fuller picture of the costs to the organization of building a product or service. From an auditing perspective, accountants can assess whether costs are accurate or relevant. Tax professionals can also provide appropriate risk assessments and guidance.
Preparing Accountants in the Digital Age

The industry is seeing an overall shift to strategic input from accountants and cross-functional collaboration. Employees with the technical skills to understand the data and its interpretations as well as the interpersonal skills to work and communicate with other departments are in high demand. According to a Robert Best survey, the finance and accounting industry’s most in-demand soft skills are adaptability and change management, collaboration and teamwork, communication, critical and independent thinking, and problem-solving.4

At VSB, we continuously enhance our accounting programs in response to industry trends such as these. Consistent feedback from employers informed the development of our graduate accounting programs. Our Master of Accounting with Data Analytics (MAC) and Master of Business Taxation with Data Analytics (MBT) programs were created to provide students with the higher-level skillsets and hands-on experience employers are seeking.

We strive to cultivate a diversity of skillsets among our students that gives them the ability to be flexible in their careers. Many accounting programs focus on the first two years in the field, and students find it hard to see beyond the CPA exam. At VSB, we advocate a longer-term view that encourages students to be agile and adaptable to industry changes.

Given the pace of the past few years, it is clear that the digitization of accounting will only become more widespread. It is an exciting time, filled with new possibilities and ways to grow one’s career. Those with a mindset of lifelong learning and adaptability will thrive in this new environment.

Endnotes


The Villanova School of Business (VSB) undergraduate program is top-ranked among business schools in the nation. Its online graduate business programs are ranked #3, and its online MBA program is ranked #9 by U.S. News and World Report. VSB has been at the forefront of business education since it was founded in 1922. Serving over 2,700 undergraduate and graduate students, VSB is home to five Centers of Excellence – the Daniel M. DiLella Center for Real Estate, the Elenore and Robert F. Moran Sr. Center for Global Leadership, the Center for Business Analytics, the Center for Marketing & Consumer Insights and the Center for Church Management – with each designed to foster innovative, cross-disciplinary research and applied opportunities for students. VSB is known for academic rigor; creativity and innovation; hands-on and service learning opportunities; a firm grounding in ethics; and an applied education that prepares students to become outstanding leaders and global citizens within the ever-changing, complex, and fast-paced world of business.

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PREPARING FUTURE ACCOUNTANTS

Data and its interpretations are having a profound impact on accounting and the way we educate future accountants. Businesses and accounting firms expect accountants to be multi-skilled across several disciplines. They want data-driven perspectives—and those who can work with data, examine its output, and share meaningful financial insights are well-positioned for success. This feedback from top global accounting firms helped shape our innovative and highly specialized accounting graduate programs.

For those seeking careers in audit and advisory services. The MAC curriculum integrates data analytics with other essential skills to prepare students to become multi-dimensional accountants. The full-time program starts in the fall or spring.

For those seeking a career as a tax professional. It provides advanced coursework in tax and accounting with quantitative applications in modeling, data, analytics and technology. The full-time, 12-month program includes a tax-season internship.

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