

Data Technology Trends That Will Reshape the Future of Accounting

Big data technology has become invaluable in the accounting sector over the last few years.

It's no secret that big data technology has transformed almost every aspect of our lives — and that's especially true in business, which has become more tech-driven and sophisticated than ever. The financial and accounting sector has been particularly impacted by these developments. The market size for financial analytics [was worth \\$6.7 billion last year](#). That figure is projected to grow to \$14 billion by 2026.

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Big Data is Leading to Monumental Changes in Accounting

A lot of recent technology, such as [cloud computing, automation, and SEO](#), are already in practice. The advent of AI, machine learning, big data, and blockchain technology are already transforming how many businesses handle their daily operations. Not only does technology like big data allow for unprecedented insights and predictions, but AI and blockchain are vastly increasing the efficiency and accuracy of procedures.

Because accounting as an industry makes its dollar on accuracy and efficiency, it's more important than ever that accounting firms and CPAs keep up with technology and embrace these new developments — because if they don't, the competition most certainly will.

Remote Work

The COVID-19 pandemic may have forever changed how many of us go to work. Out of necessity, many workers started doing their jobs from home, and even as coronavirus cases slowed, many wished (and still wish) [to continue doing so](#). This has had some tangible beneficial effects — the unemployment rate for accountants was 3% lower than the national average in 2020, no doubt due in some part to 85% of accounting firms being more likely to let employees work remotely, even after the pandemic. Accounting leaders in firms across the country are recognizing the benefits of letting employees work from home, not just for safety's sake, but for morale as well.

The cloud has been very important in these changes. Many financial experts have started talking about [ways to utilize cloud technology in accounting](#).

Analytics

Analyzing data is becoming more important to a wide array of industries, especially with the omnipresence of big data and the sheer amount of information that can now be collected by computers and the internet. The role of accountants is changing to reflect this, with many accountants focusing on [analyzing data and gleaning insights from that data](#), in order to increase efficiency and perform better risk

management. Data analysis in accounting is hardly revolutionary, but the scale at which analytics can operate has expanded dramatically — meaning accounting firms will have to embrace some new skill sets if they wish to remain relevant.

Social Media

In many ways, social media has taken the place of a company website as a means of keeping in touch with customers, building a reputation, building brand awareness, driving traffic, and otherwise establishing a positive online presence. In the hands of a dedicated and skilled social media expert (or team) it can become a potent sales and branding tool. A majority of accountants (77%) already use social media for their marketing and branding, and that number will likely only get larger as social media itself continues to grow and expand.

AI and Machine Learning

AI and [machine learning](#) are poised to play a major part in the future of several industries. A majority of accountants (66%) already report that they either have, or would, embrace AI in their daily operations, while almost 60% believe it's likely to improve their efficiency when it comes to certain tasks. AI has the potential to optimize tasks and processes that might otherwise take needless man-hours to handle. While it's unlikely AI could ever take the place of human accountants, they can provide assistance in decision-making, improve efficiency, and help with data analysis.

Deep learning has [been especially useful for small business accounting](#). This is going to be a huge gamechanger for small businesses in the future.

Big Data

Big data has become an integral part of all our lives — and it's only going to become more so. The accounting industry stands to gain huge advantages in the form of actionable insights taken from the massive data sets now commonly available. Over 60% of accounting firms worldwide are already making use of big data, and many are making it a priority to hire accountants with superior knowledge in analytics and data science. With proper use and analysis of big data, CPAs can not only improve their planning and processes, but anticipate potential problems before they arise.

Blockchain

Like big data and AI, blockchain technology is likely to become a central part of the accounting industry. The security and transparency of blockchain technology is already changing things in the accounting world, by bringing down the costs of maintaining ledgers and improving accuracy of tracking ownership of assets. But blockchain tech is still poorly understood by many, and more skilled employees who have a firm grasp of what blockchain is capable of are needed.

Of course, the technological changes transforming the accounting world (and the world in general) aren't all sunshine and roses. There are legitimate reasons to be concerned about some of the pitfalls of these technologies — for example, the privacy concerns that come with big data, the error susceptibility of machine learning, and the possible negative effects of blockchain on the environment. If technology is going to advance in a responsible and sustainable way, the accounting world will require [highly trained and educated](#) individuals who understand the ethics of these technologies and how to best implement them.