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# THREE HARSH REALITIES OF THE ACCOUNTING PROFESSION

And What You  
Can Do About Them

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Co-Founder and CEO, AccountantsWorld



## Three Harsh Realities of the Accounting Profession

### Detailed Inside:

- **How giant corporations** have invaded your core services (tax, accounting and payroll)... weakened your client relationships... used us to make billions of dollars ... and diminished the relevance of the proud profession of accounting.
- **3 profit-draining dangers facing accountants today** and well into the future... and how to insulate your practice against these trends before they undermine your stability and growth.
- **“The Great Equalizer”** – A revolutionary new breakthrough practically guaranteed to ensure the success of accountants who take advantage of it before it’s too late.

### By Dr. Chandra Bhansali

Co-founder and CEO, AccountantsWorld



Dr. Chandra Bhansali is co-founder of AccountantsWorld along with his wife Sharada, and both have been serving the accounting profession for 29 years. As an ardent proponent of raising the relevance of the accounting profession, and one of the top technologists in the industry, Dr. Bhansali has been named one of the “100 Most Influential People in Accounting” by Accounting Today ten times running.

According to Accounting Today, “With his vision of accountant-centric software and his history as a pioneer of the cloud, AccountantsWorld President Chandra Bhansali and his company are natural leaders as the profession finally gets its head into the clouds.”

Hello. My name is Chandra Bhansali.

In the next few minutes, I'm going to say some things that might at first make you very uncomfortable. Because this report gives you a candid account of the harsh reality of the accounting profession that everyone is keeping quiet about.

Then – rejoice! - this report will point to a new, brighter future for your practice and the profession.

For the past 28 years, my wife Sharada and I focused our efforts on identifying emerging technologies, and finding ways to make them work for accountants. **Our mission has, and always will be, to put accountants first and foremost.** As a result, the accountants who have taken full advantage of our discoveries have...

**Increased Productivity  
Attracted More And Better Clients, and  
Boosted Bottom-Line Revenue For Their Practices**

You may have seen me in *Accounting Today*, *CPA Trendlines*, *CPA Practice Advisor* and *Journal of Accountancy* among other leading industry publications.

*Accounting Today* named me one of the "100 Most Influential People In Accounting" ten years running. *CPA Practice Advisor* named Sharada one of the "Most Powerful Women In Accounting" for the past two years.

The past 14 years, which started with the launch of the AccountantsWorld.com online community, have been especially gratifying.

That online community has grown to be over 120,000 members strong. We're proud to have helped thousands of accountants embrace the Internet, streamline their practices to generate more income while providing superior client services, and reduce time, effort and capital waste by using accountant-centric technological breakthroughs.

Here's what *Accounting Today* had to say:

*With his vision of "accountant-centric" software and his history as a pioneer of the cloud (before it was "the cloud"), Bhansali and his company (AccountantsWorld) are natural leaders as the profession finally gets its head into the clouds.*

The most important development, however, has been that along the way we became aware of some glaring problems accountants contend with on a daily basis. Too many accountants are not aware of how these issues are stripping them of the professional control and power they deserve.

We discovered the harsh realities facing the industry such as how...

**Mega-Corporations have Turned Accountants  
into Their Most-Effective and Least  
Expensive Marketing Channel**

Sharada and I are in a unique position to see what's really going on in the industry. After all, our job is to help accountants get more (*a lot more*) out of their practices.

We've analyzed the situation and want to point out a few startling facts you must know.

Please take a few minutes to read this report to the end. What you're about to find out could mean the difference between struggling to keep your practice afloat... and thriving in the coming years.

The first thing I want to point out is...

How accountants have become a virtually free sales force for mega-corporations, like Intuit, ADP and Paychex among others. Accountants have made Intuit one of the world's most profitable companies. Intuit's founder Scott Cook has acknowledged on a number of occasions that he owes his company's meteoric success to accountants.

ADP and Paychex are no different. Both companies admit they get between 30% and 40% of their business from accountant referrals. In 2013, ADP flaunted a market cap of over \$38 billion. Paychex had a market cap of \$16 billion. Intuit enjoyed a market cap of \$22 billion.

That comes out to a total of over \$76 billion. We can conservatively say that accountants are responsible for referring at least 30% of that amount. Which is roughly... \$23 billion.

In effect accountants have helped these mega-corporations raise their market capitalization by many billions of dollars.

**But What Did You Get in Return?**

Stiffer competition for your core tax, accounting and payroll services, marginalization of your accounting practices and diminished relevance. Your clients are given free rein to make bookkeeping messes that collectively cost accountants millions of hours of wasted time and perhaps billions of dollars of lost revenue. And you can't do a thing about it.

I'll come to explain this in more detail little later.

But let me first address the worst impact of all this...

### **Your Most Precious Asset Has Been Compromised**

Accountants have sent their clients to these companies en masse. And by doing so, accountants have compromised their most precious business asset.

No accountant would deny the fact that the most important business asset accountants (or any business for that matter) possess is an "off-the-books" asset. Namely... client relationships. Without those, there are no "on-the-books" assets to account for. Because, quite obviously, without clients there is no revenue. And without revenue there is no business.

Accountants tell clients to protect and grow their assets. Yet they themselves have lost control of their most precious business asset to the competition. Now these corporations are doing everything they can to get a stronger grip over your clients. The harsh reality of the accounting profession is that by sharing their most precious asset with these mega-corporations...

### **Accountants Have Created Their Own Frankenstein**

What accountants have done is let these mega-corporations penetrate deeper into their core services and become major competitors.

In a bit, I'll tell how you've been forced to change your business model, and how you're prevented from offering your clients the crucial services they really need. I'll also point out how you can take back control before it's too late.

I remember seeing a CPA friend at a tradeshow. After the usual friendly banter, I asked him how his practice was doing. The joy seemed to have drained from his face. He said, "*Chandra, you may not believe it, but the reality is that I don't run my practice.*"

I had to ask, "*Then who does?*"

His response floored me. After doing a bit of research I uncovered that a growing number of accountants share the same sentiments...and that discontent is brewing.

Due to their relentless assault on the accounting profession, you now must contend with...

### **3 Profit-Draining Dangers Facing Accountants Today And Well Into The Future**

Accountants have provided these mega-corporations with at least \$22.88 billion in market capitalization by referring our clients to them. But how did they repay you?

Allow me to point out the stone-cold truth.

Because what I'm about to say next should get your attention. This is the current reality the accounting profession faces—a reality which can only be changed to your benefit when accountants band together against the forces threatening the integrity of your profession.

**Danger #1**  
**Growing Competition From Mega-Corporations**  
**Determined To Win Your Clients Over**

For several decades now, accountants have let the Trojan Horse within their gates. Now you're paying a heavy price. The facts, as they stand today, are irrefutable.

Every single corporation has one primary obligation. That is to create wealth for its shareholders.

**The Interests Of Their Shareholders**  
**Are Placed Above Everyone Else's**

To achieve this goal these companies must expand their operations.

Despite the fact that Intuit, ADP and Paychex are operating within a perfectly valid business model, there is one glaring problem. Since their core business is offering the same services you do... *this means...* they can only grow by overrunning your turf.

Their business model dictates they must look out for their shareholders.

*Not...* for accountants!

The truth is they never have looked out for your best interests in the past anyway. Not once. They have instead used accountants to build their own thriving enterprises.

That may not be the worst of it. The advent of new technologies has ushered in...

**A New Breed Of Competition**

Companies like Xero, FreshBooks and Kashoo are claiming a stake in your industry. It's much easier now than ever before. The technological restrictions of a few years ago are gone.

Like Intuit, ADP and Paychex, they pose as accountants' partners, but their only business is to sell products and services directly to small businesses. What makes them accountant-friendly?

Venture capitalists have poured about \$250 million into Xero. As you know, VC's demand high returns. We're talking about at least 400% return on their investment. Which comes out to at

least a billion dollars or more. What could possibly be your role in their business model other than to help these VC's make their billion and exit?

But things could get even worse. Now the Internet makes it extremely easy for every one of the new and old competitors to offer bookkeeping and accounting services. The threat is real, clear and imminent.

Accountants are now in a dire situation. Either these companies will continue taking bigger chunks out of your market... or you will stand up and reclaim what is rightfully yours. After all, these are your core services. Tax preparation, accounting and payroll – that's your domain. You are the professionals with the education and experience to properly help your clients.

The choice is yours. The time is now. I'll share with you what we can collectively do to turn the situation to your favor. But first let's discuss...

### **Danger #2** **Continued Campaign By Mega-Corporations To Marginalize Accounting Practices**

The basic premise of the "Do-It-Yourself" tax and accounting programs sold to your clients is to diminish your importance and relevance. In essence what these companies are saying is this:

*"Use our tax or accounting software because it's cheaper than using an accountant. If you feel you need an accountant then, pay him as little as possible because there is very little work left for him to do."*

You know this is far from the truth. In reality the accounting software created for your clients doesn't reduce the time you spend on client accounting. Instead it poses many problems for you. For example, you spend time fixing the bookkeeping messes your clients make, performing cumbersome file transfers and working with multiple versions of the software your clients use.

But the impression the sleek marketing of these programs creates in your clients' mind has marginalized tax and accounting practices and created fee compression.

### **Danger #3** **Your Status As The "Go-To" Professional Advisor Is Minimized**

Earlier I mentioned my CPA friend. I met with him at an industry trade show. He lamented that he did not run his practice. When I asked him who does his answer was unexpected. He pointed to the QuickBooks display and said:

*"That software and my clients do. Clients buy this software, but most don't know a thing about accounting so they end up making a bookkeeping mess. I must spend hours cleaning up that*

*mess before I could do my professional work. This is not what I became a CPA for. I became a CPA to add value to my clients' businesses and give them the crucial business advice they need. But under the circumstances I'm unable to do that."*

My research indicates his sentiments are shared by many others in the profession. When clients call the shots... when software dictates the rules you play by... then...

You are forced to perform your job by "workarounds" thrust upon you by inefficient software programs. You waste your time on mundane, irrelevant tasks. There is hardly any time left for offering value-added services to your clients.

Why are you in this predicament?

One reason is accountants believed the mega-corporations were, in fact, their partners and not their competitors. Then they paid little to no attention as they continued making inroads into core services. Look at the facts and you'll see that, to a great extent, accountants inadvertently...

### **Helped (Even Vouched For) Your Competition Because You Thought They Were Your Partners**

*The second reason you're in this situation is because you felt you had no choice.*

Years ago, accountants did not have access to the expensive state-of-the-art computers and processing centers required to efficiently and effectively provide payroll services. Payroll services seemed like an "all pain, no gain" endeavor. So accountants yielded to ADP, Paychex and others.

And accountants had no resources to compete against the marketing muscles of Intuit. It's time to take back the profession and regain control of core services.

And AccountantsWorld is committed to help accountants make it happen. That's why...

### **AccountantsWorld is Leading The Accountants First Movement**

Before Intuit hit the market, accountants and clients worked together. Not in opposition. Clients listened to their accountant. The accountant performed the tax preparation, accounting and sometimes payroll services necessary. Not the client or some software.

Then all hell broke loose when Intuit introduced the disruptive client-driven model.

The solution to your problems is a cutting-edge variation of the original **accountant-centric** model. The accountant is back in the driver's seat. The accountant is in control of the core



services offered to clients. You and your clients work collaboratively while you remain in command! That is how it should be. Any other model throws everything out of balance.

At AccountantsWorld we are spearheading the "Accountants First Movement" - and helping to make the accounting profession much more rewarding and relevant - in several important ways.

1. **We put accountants first by...** developing software solutions, resources and training that let you compete with the mega-corporations, regain significant market share and protect client relationships from any and all competing forces.
2. **We put accountants first by...** ensuring a better financial future for you so you make significantly more money and your practice becomes more rewarding and relevant.
3. **We put accountants first by...** never competing with you for your clients. In fact, we only offer our products and services to accountants, never to their clients.
4. **We put accountants first by...** answering to you and you alone. We do not pander to shareholders. We even turned down venture capital funding so we can remain in control and carry out our mission to help you become more profitable.

The "Accountants First Movement" re-establishes you as indispensable to clients. Mega-corporations and other competing forces will struggle to lure clients away. Together we forge a clear path with clients to meet their business objectives. When presented with this model clients will listen and remain loyal. After all, they have listened to you for decades, but the problem is...

**Many Accountants Made The Wrong Recommendations.  
Now It's Time to Correct The Mistake.**

By participating in the "Accountants First Movement" you take back the reins. You can expect stronger client relationships... greater satisfaction from your practice... and an increase in profits of 20% to 50% over the next 3 years.

The question is: What allows us to turn the "Accountants First Movement" into a driving force in the industry? What allows us to help accountants revamp their practices for long-term success? What allows us to show accountants how to capitalize on new opportunities for growth?

To answer those questions, I need to tell you about...

**"The Great Equalizer"  
A Revolutionary Breakthrough Practically Guaranteed To Ensure The Success Of  
Your Accounting Practice**

In order for the new accountant-centric model to work accountants need the infrastructure that give them an upper hand over their fiercest competitors—the mega-corporations.

For decades, mega-corporations had access to far greater computing power than accountants. That's why accountants shunned payroll services, for instance. The sheer cost of housing large mainframe computers was out of reach. I read recently that ADP spent \$2.98 billion just to operate their business in 2013. There's no way individual accountants could ever hope to compete.

The good news is all of that has changed in recent years.

With the advent of the Internet... and Cloud Computing in particular... the playing field is now level.

### **Now Individual Accountants Wield The Same Power As Multi-Billion Dollar Corporations**

For about \$5 a day, individual accountants can get all the computing power they need to compete with the likes of Intuit, ADP and Paychex. The "cloud" is the great equalizer.

By the way, "cloud-based solutions" are nothing more than an application hosted or run on Internet servers. The major difference is, when you use the right cloud solutions, you can do things you could never dream of doing with your desktop solutions. Because the Internet servers have tremendous horsepower to run highly demanding applications that PC's can't run. That is the non-techie definition but it serves our purposes.

Another most important advantage of the cloud is that both you and your clients can work together like never before. Data resides on a common Internet server. In an application, like accounting, you can give your clients access to perform only the functions they are capable of, thus minimizing client errors. The cloud puts you back in the driver's seat.

Before the "cloud", you were limited. Not anymore.

You can now compete with mega-corporations... and offer clients the same quality of service at a fraction of what it used to cost. Services once time-consuming and unprofitable (like payroll) now become...

### **Hot New Profit Centers No Matter The Size Of Your Accounting Practice**

Accounting services become much more profitable... and easy to administer in a collaborative working environment with clients who follow your lead.

What's more, the "cloud" at this point and time is wide open. No one will monopolize it anytime soon. But competitors are already shifting their cloud strategy. New competitors like Xero are

promoting their cloud-based services to your clients. Even Intuit is now marketing cloud-based payroll solutions.

The good news is, since the "cloud" is the great equalizer, you can preemptively stop these corporate goliaths from devastating the accounting industry.

**The Way To Accomplish This Goal Is By Making Use Of This Breakthrough Yourself**

But the time to take action is now. After all, it may take another decade before another technology emerges with the power to level the playing field like the "cloud."

Of course, the "Accountants First Movement" is not for every accountant.

The accountants who will get the most out of it are those with the passion and courage to do what's best for their practice, the profession and for their clients. If that sounds like you then I encourage you to go to our website, [www.AccountantsWorld.com](http://www.AccountantsWorld.com).

Discover how the Accountants First movement is revitalizing the accounting profession, and helping forward-thinking accountants to thrive... by letting them regain lost territory and capitalize on new opportunities!

If you're genuinely passionate about your practice, the most worthwhile thing you can do today is to visit...

[www.AccountantsWorld.com](http://www.AccountantsWorld.com)



Questions? We're here to help!  
888.999.1366 ext.532

Sincerely,

Dr. Chandra Bhansali  
CEO and Co-Founder, AccountantsWorld

PS: If you feel this report is thought-provoking, brings out the issues that are crucial to know for any forward-thinking accountant and sets the stage for a brighter future for the profession, then I urge you to spread the word. Please forward this report to your peers in public accounting.