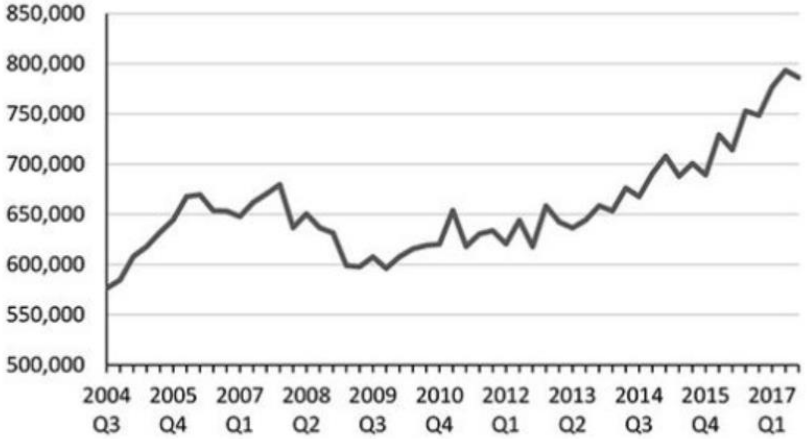
PREPARING FOR AN ACCOUNTING REVOLUTION

Positioning yourself for success in a world of AI Accounting

2

A Supply/Demand Problem in Accounting

- More businesses today than ever before (US Census Bureau)
- Velocity of business formation is continuing to increase rapidly



New Business Applications

(Seasonally Adjusted)

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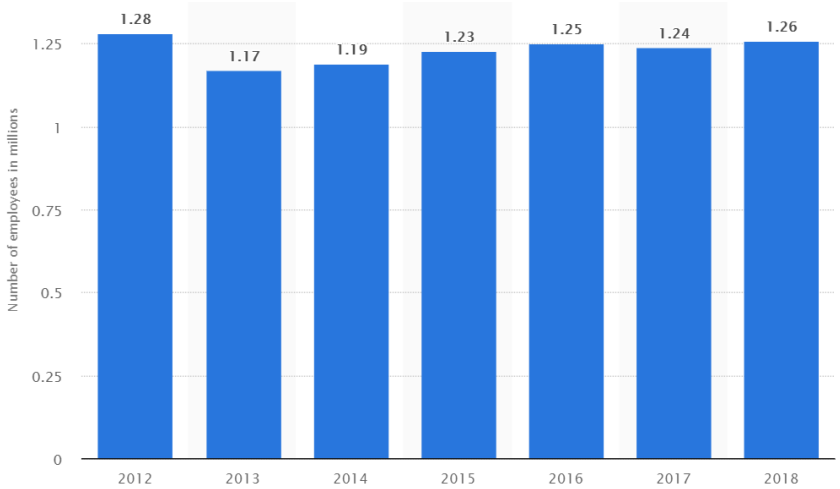
A Supply/Demand Problem in Accounting

- Meanwhile the number of accountants entering the industry is flat
- 2019 data shows fewer accountants entering industry than prior year



Accountants Employed in Millions

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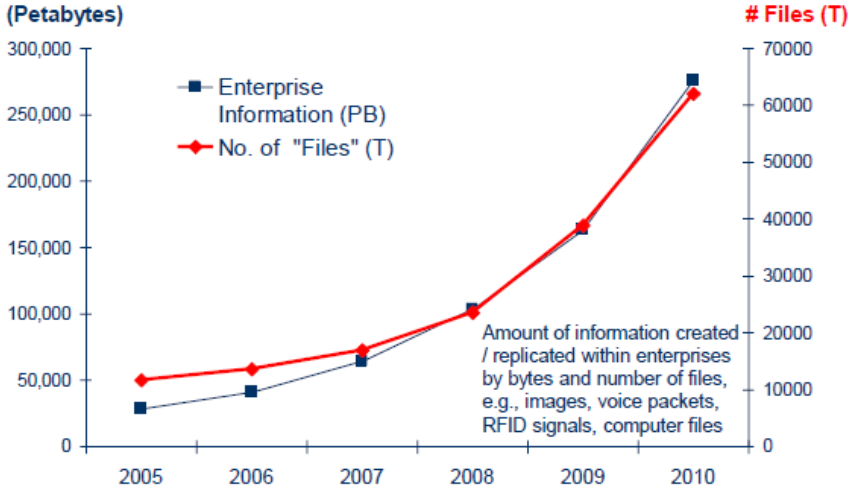
A Supply/Demand Problem in Accounting

- Businesses data production is growing exponentially (40X ‘09 by ‘20)
- Businesses demand more data processing, reporting and analytics



Today’s Accountant Processes More Data than Ever Before

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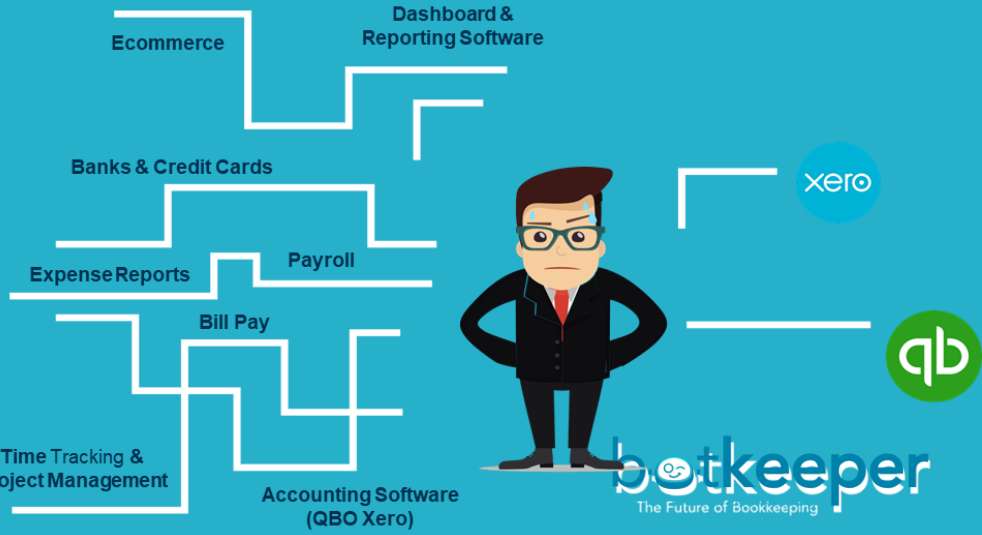
How to Differentiate And/Or Specialize

- Accounting compliance continues to increase in complexity
- Quantity of accounting apps used and managed continues to increase



6

Turning Away Prospects is the New Norm

- Capacity and staffing challenges are amplified by seasonal work
- Meanwhile Staff Churn:
  - Negatively impacts clients
  - Makes scaling difficult
  - Reduces margins
  - Time consuming to train and ramp staff

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THE AI ACCOUNTING LANDSCAPE

AI Accounting Firms

Offering bookkeeping as well as taxes- your competition

AI Applications

Tools you need to cobble together

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AI Platform for Accountants - Integrated Platform for Staff Augmentation

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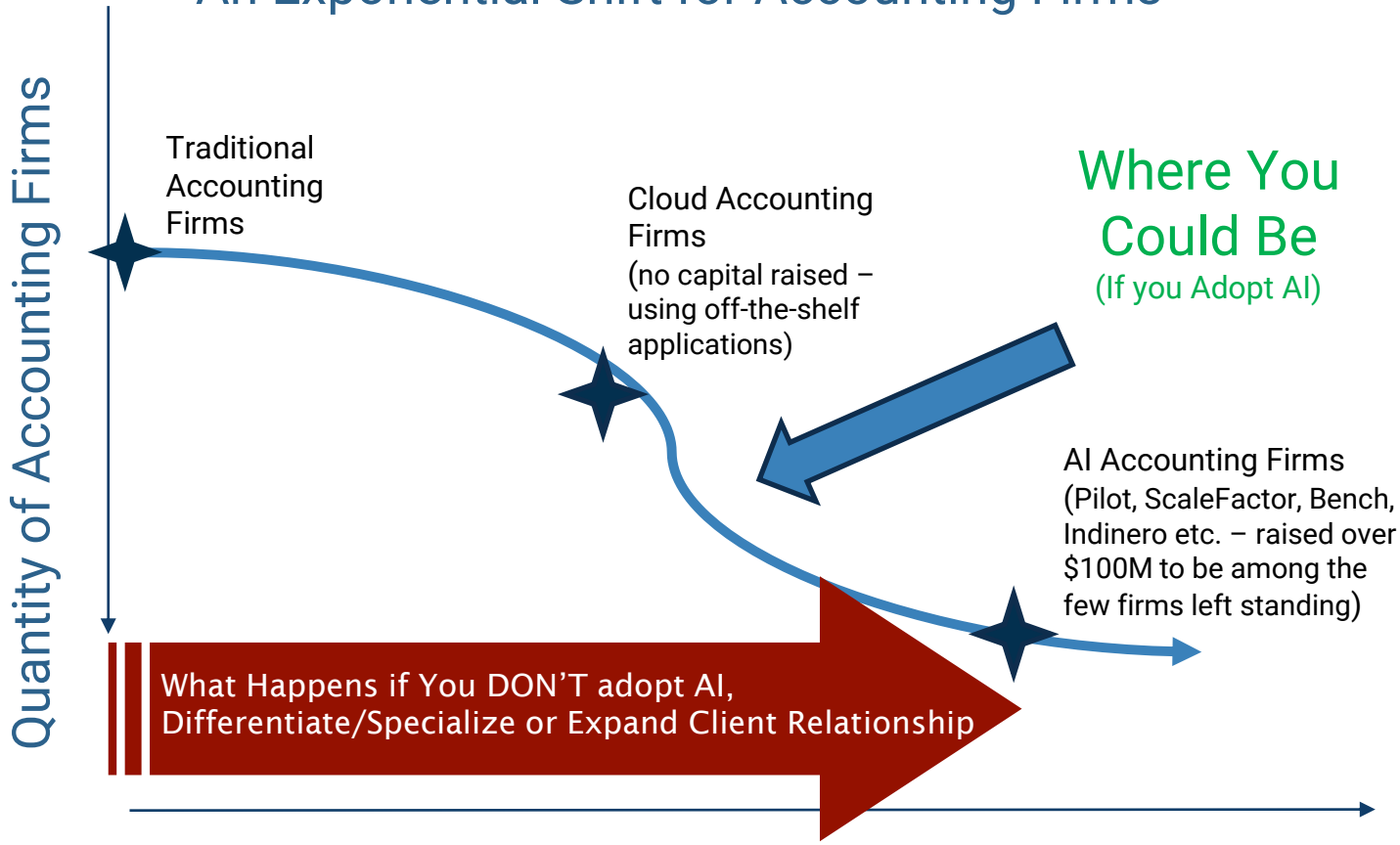
THE AI ACCOUNTING LANDSCAPE

An Exponential Shift for Accounting Firms



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- If you do not adopt AI, differentiate, specialize or expand client relationships, today’s Accounting firms will no longer exist

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LEVELLING THE PLAYING FIELD

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LEVELLING THE PLAYING FIELD

A Platform For Accountants to:

- Manage clients
- Consolidate apps (reporting, task management, receipt capture, file management, documentation etc.)
- Augment staff (ML/AI, RPA, OCR, Workflow Automation, Human in the Loop)

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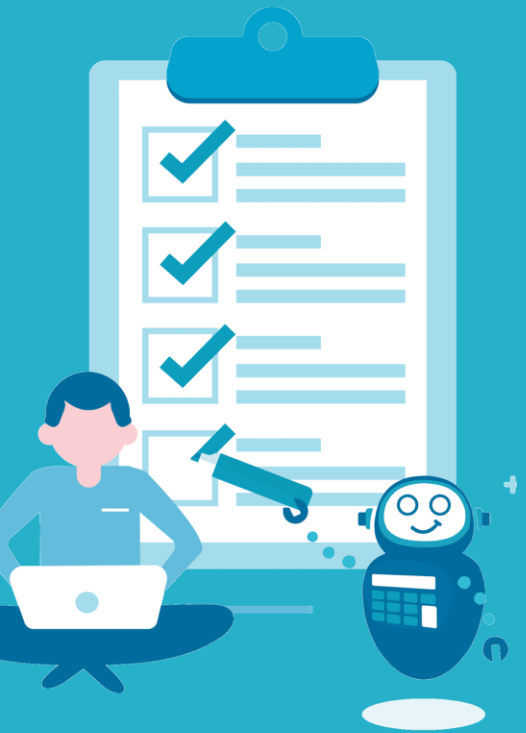
How to Differentiate And/Or Specialize



- Move Up Market – CFO and advisory for midsize companies with increased complexity
- Full Suite Offering – incorporation, bookkeeping & compliance, tax, wealth management, HR, benefits….advisory and consulting
- Specialization[2] – international non-profits, breweries, QSRs, dental, fintech SaaS, blockchain companies, home construction, consulting firms, amazon ecommerce businesses, painting companies etc.

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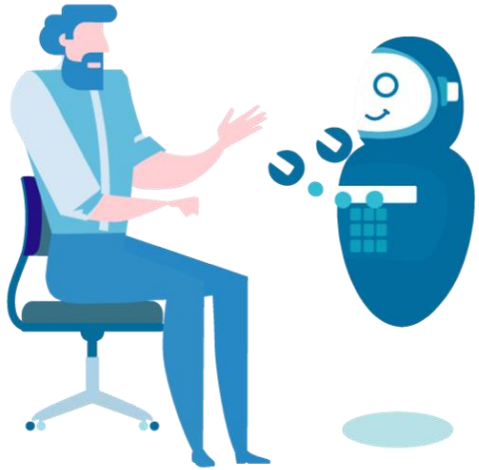
Owning the Relationship (Top to Bottom)

- Who owns your client relationship?
- The software they use?
- The firm that services them?
- How this is changing:
  - Software companies are doing more services
  - Complicates relationship dynamics



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Who owns the client relationship?

	Historically	Today
Accounting Leger	No	Maybe
Accounting Apps	No	Maybe
Accounting Firm	Maybe	Maybe
Accountant	Yes	Maybe

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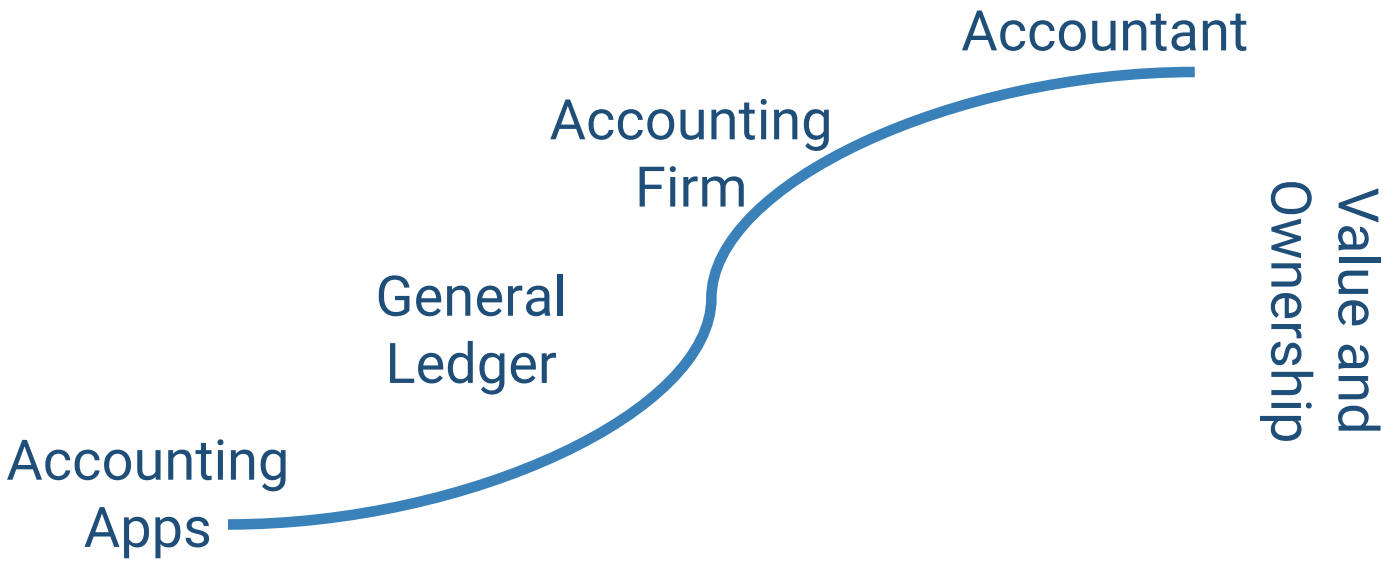
CLIENT RELATIONSHIP CURVE HISTORICALLY



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CLIENT RELATIONSHIP CURVE TODAY

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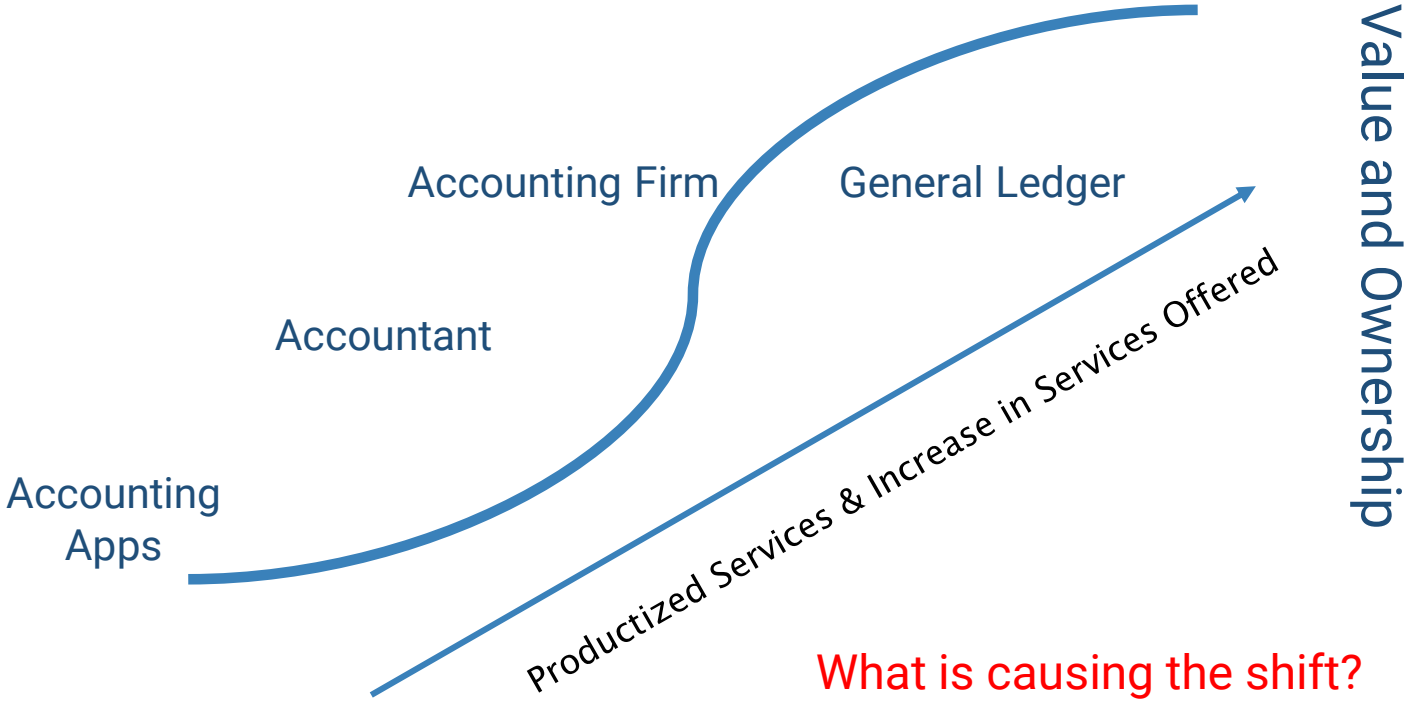
CLIENT RELATIONSHIP CURVE FUTURE



What is causing the shift?

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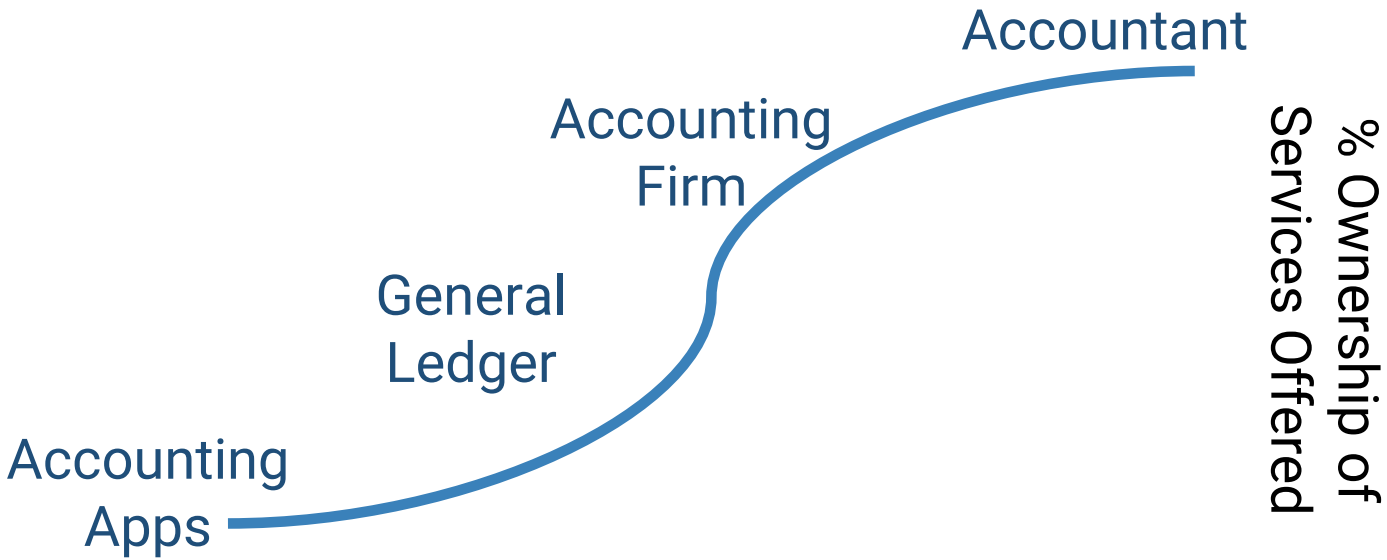
CLIENT RELATIONSHIP CURVE HISTORICALLY



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What does this mean for Accountants?

- Must keep as much of accounting services offered under your brand
  - WHITE LABEL IS KEY
  - DON'T BE A PIECE – BE THE ENTIRE PUZZLE
- Remain price competitive
  - STAFF AUGMENTATION IS KEY
  - CONSOLIDATE ACCOUNTING TECH STACK
  - USE OF AI AND OTHER AUTOMATION TOOLS REQUIRED

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20 WHAT DOES THIS MEAN FOR ACCOUNTANTS?

- **Remaining Price Competitive**
  - Historically must continue increase prices to maintain margin
  - Human labor costs increase so pricing must increase
- As the market shifts toward AI, companies like Pilot, ScaleFactor & Intuit will drive market rates down
- Bookkeeping, tax, and audit will all see prices deflated because of AI
- Must find a way to lower costs without compromising quality
  - App consolidation
  - Staff Augmentation

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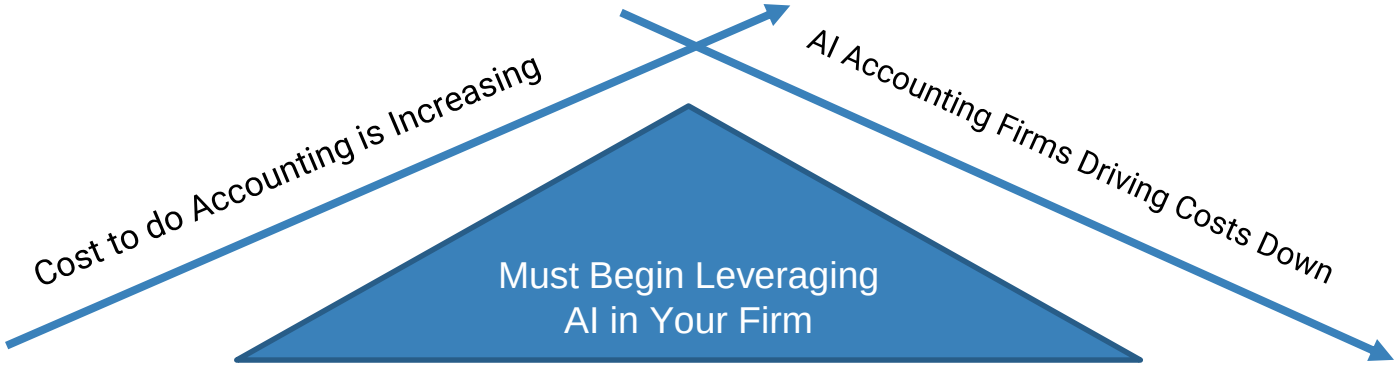
CONFLICTING MARKETS WILL FORCE AI ADOPTION

- Fewer Accountants Available in Market = Increased Cost to Employee an Accountant
- Increase in Data for Processing = More Time = More Cost
- Increase in Accounting Complexity = More time = More Cost



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WHAT TO DO WITH CONFLICTING MARKETS?

- Build Your Own AI?
  - Probably not – costs $10s of Millions and takes years
- Get out of bookkeeping?
  - You can but you start losing client ownership, relationship, and value added
  - Lose recurring revenue, margin, and upsell potential
- Adopt and AI Platform Or AI Tools?
  - YES!!

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HOW AN AI PLATFORM CAN BENEFIT YOUR FIYM

New Vision CPA Group

BEFORE BOTKEEPER	AFTER BOTKEEPER
Employees: 4	Employees: 2.5
% of Filings Completed by April 10th	% of Filings Completed by April 10th
1040s: 42%	1040s: 54%
11205s: 66%	1120s: 71%
1065s: 31%	1065s: 40%

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24 HOW BOTKEEPER IS HELPING ACCOUNTANTS

- Easily onboard 5-10 clients per week (no more turning away clients)
- Provide Clients with a Unified Financial Hub
- Dashboards, reporting, task management, calendar, documentation, files, receipt and bill scanning, statement fetching
- Higher level of bookkeeping service (99% accuracy and ongoing)
- Let botkeeper be the last bookkeeper you hire
- Compete at market prices and increase margins (30-50% savings)
- Retain and promote your top talent and automate tedious work

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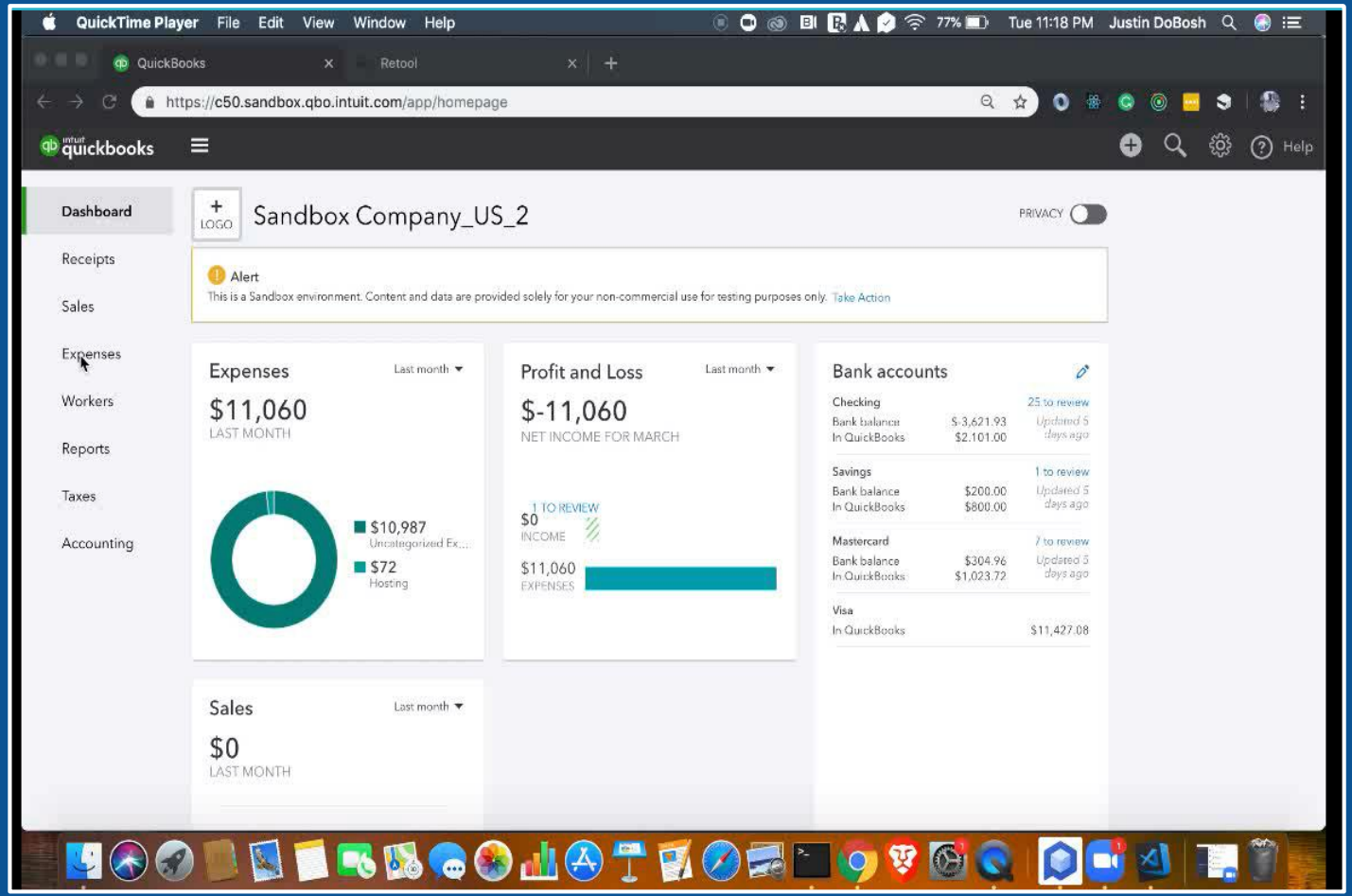
AI IN ACTION



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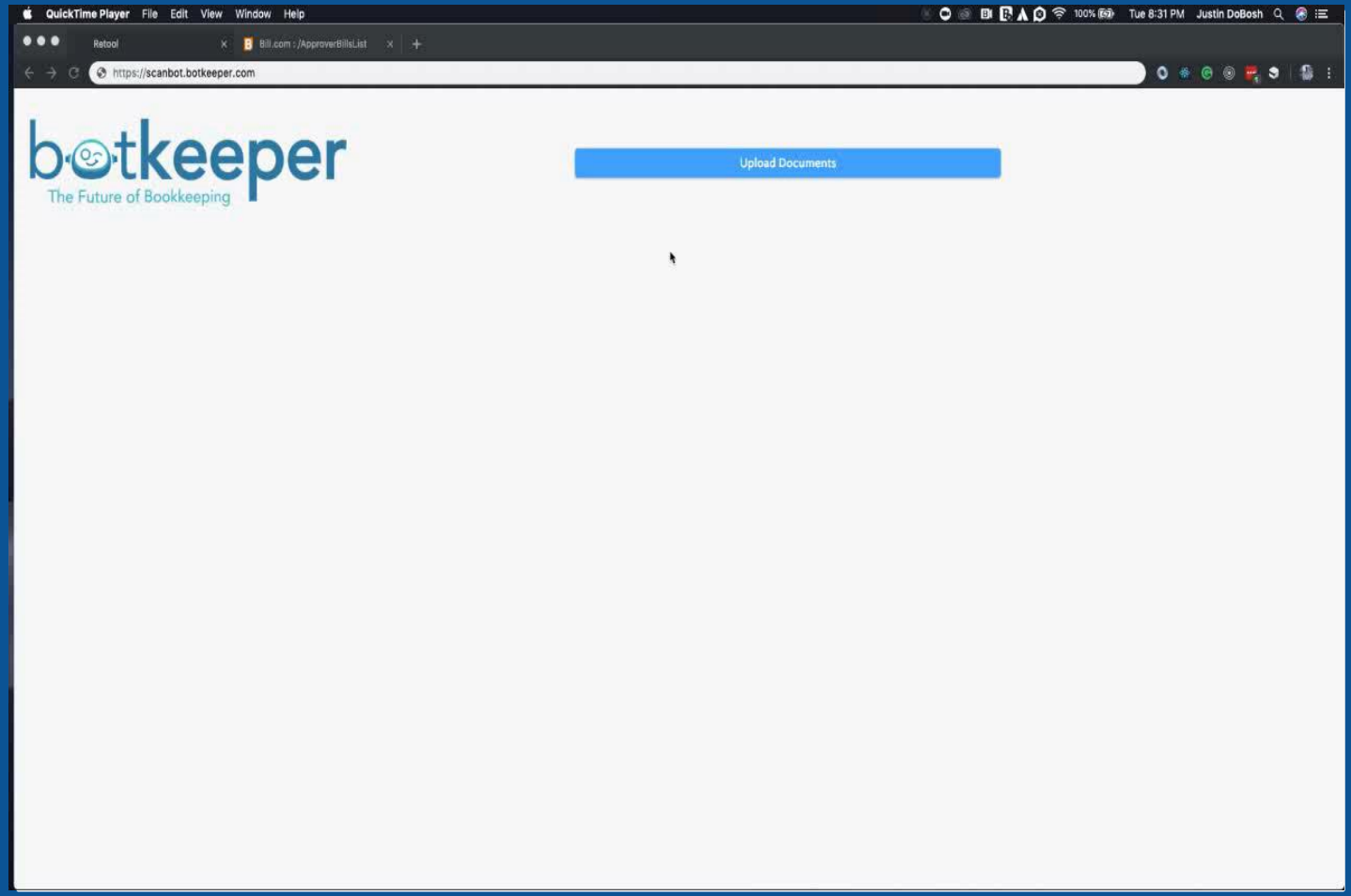
AI IN ACTION



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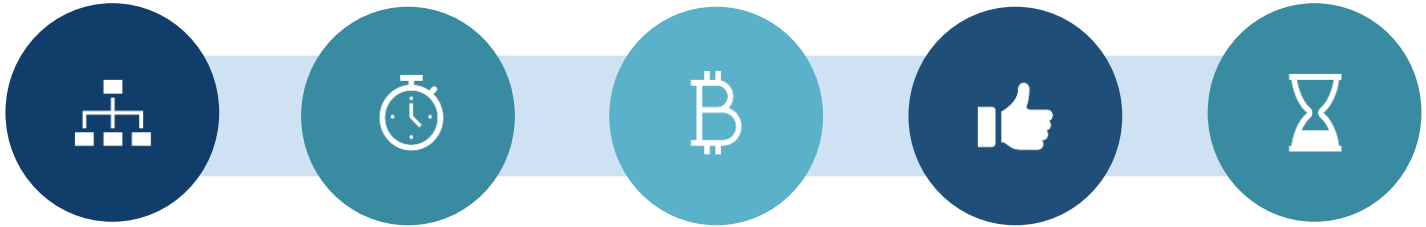
Benefits of Botkeeper Machine Learning



WORKS WITH CUSTOM CHART OF ACCOUNTS

PROCESSING 25,000 TRANSACTIONS IN SECONDS AT 83% ACCURACY WITHOUT ANY HUMAN ASSISTANCE

FOR THOSE WITH HIGH CONFIDENCE RATING 4000+ TRANSACTIONS IT GOT 98% OF THEM CORRECT (BETTER THAN HUMANS AT ONLY 85-95% ACCURACY)

HUMAN + MACHINE GETS BOTKEEPER TO 99% ACCURACY ON ALL 25,000 TRANSACTIONS

CONTINUES TO GET BETTER WITH TIME AND MORE TRANSACTIONS

And So Begins the Era of Super-Accountants

- Instant Capacity – when you need it
  - Grow and Onboard more clients
  - Increase Bandwidth during busy season
  - Solve Employee Attrition
  - Margin Improvement
  - Lifestyle Improvement

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Benefits of Botkeeper Machine Learning

SMARTS
COLLECTIVE WISDOM AND LEARNING ACROSS THOUSANDS OF COMPANIES

IMPACT
FASTER TO SETUP AND TRAIN THAN AN EMPLOYEE

ACCURACY
FROM 5-15% HUMAN TO .01% ROBO-HUMAN

24/7
SUPPORT ENTRIES AND PROCESSING

INSIGHT
FULLY CUSTOMIZED DASHBOARDS AND ANALYTICS

COSTS
REDUCED 30-75%

MORE
THINK TIME, STRATEGY TIME, FAMILY TIME, FREE TIME, HOBBY TIME

SCALE
0- BILLIONS IN REVENUE

Thank You

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