

Adoption of Latest Trends of IT & Their Impact on Accounting Profession of SME's

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Abstract:

The main objective of this research paper is to explore the level of Adoption of Latest Trends of Information Technologies and their impact on Accounting Professions of Small & Medium Enterprises (SMEs). This research article also arouses discussion about a broad range of emerging and congregating information technologies and their potential to influence the Accountancy Professions of SME's.

As we know that, Financial Accountants are the most valued financial advisers to the business organizations they work with and for, accountants must maintain a watching brief across a broad range of latest technologies trends of business accounting.

This study investigates that, professional financial accountants understand the benefits and challenges brought by emerging latest technologies such as, Cloud Computing, Mobile Technologies, Social Collaboration, Digital Service delivery Channels, Cyber security etc. Financial professional's needs to consider the challenges and opportunities created by latest and emerging technologies, and then use their systematic, organized and logical skills to assess their potential influence.

Using Financial Accounting professionals both in the field of commercial and auditing fields are taking as samples. This study investigates as to whether they are adopting the latest trends of technologies, the extent that they are using the latest technologies and the reason that they are not adopting the latest trends of technologies.

Key Words: Information Technology (IT), Accounting Profession, Accountants, Latest Trends of IT, Small & Medium Enterprises (SME's). Mobility, Cloud Computing, Social Collaboration, Digital Services & Delivery Channels, Cyber Security

Introduction:

In Accounting Profession of Small & Medium Enterprises (SME's), Accountants have always exploited emerging the latest technologies to help them to complete their financial accounting tasks more accurately, quickly and easily.

From the incised clay tablets of the Sumerian scribes, through the adding machines of the 19th century, to the mathematical calculators after then computers and peripherals devices of the 20th century, but all of these computing technology developments were simple propositions as compared with the different and latest technologies trends that are now rapidly reshaping the accounting of Small & Medium Enterprises.

Heading into the 21st century information technology (IT) trending in cloud computing, mobile technologies, social collaboration, cyber security are converging to change the ways in which we consume information technology resources, share knowledge and experiences, and access new delivery channels.

Financial accountants in practice and in the finance function are part of that connected world. This is changing the ways in which they communicate and collaborate with those in the businesses they work with and for, and shaping new working patterns. It is providing financial accountants with the opportunity to

automate and deskill the time consuming repetitive financial work and focus on higher value work, so that they can consolidate their role as advisers on finance and business.

In SME's Financial Accountants can be prepared to minimize the burdens and maximize the benefits. In this way the accounting profession can exploit latest technologies and potentially change the scope of what it means to be an accountant.

Following are the latest information technology trends:

- Cloud Computing
- Mobile Technologies
- Social Collaboration
- Digital Service Delivery Channels
- Electronic Payment Systems
- Cyber Security

Cloud Computing

Cloud computing can deliver Information Technology resources like as software tools and data storage, flexibly and efficiently online. These resources can be accessed anytime, anywhere, from any devices. Different kind of services are offered from public clouds on internet from different web servers like Google Apps Engine, Dropbox, Microsoft, Skydrive. Also businesses are creating their own Private Clouds.

Adoption of Cloud Computing in SME's

Using cloud computing such as computers and data storage can provide access to unlimited resources without the need for upfront investment cost, maintenance or Information Technology expertise in SME's. Cloud has the potential to deliver many business benefits in Small & Medium Enterprises but these can create opportunities and challenges for Financial Accountants.

Impact of Cloud Computing on Accounting Profession of SME's

- Easily accessing data, data sharing and collaboration of data.
- Reduced upfront costs and expenses.
- Basis for developing new delivery products and channels.

Mobile technologies

Through Mobile technologies SME's and their human resources have fingertip access to communication and information whenever and wherever they need it. People are increasingly interconnected in their personal and professional lives with mobile technologies and Smartphone, tablets and phablets, have the potential to enhance business communications and connectivity further.

Adoption of Mobile Technologies in SME's

Financial Accountants of SME's are exploiting mobile technologies to deliver productivity and efficiency gains, bring businesses closer to their clients, and stay connected to their clients whether they are in the office or travelling or even at home.

Different types of mobile devices are being combined with cloud services to provide anywhere anytime access to special mobile apps and the associated business and finance data. Small & Middle Enterprises are developing their own mobile device applications to attract publicity and new clients and to better service existing customers. As those entering the accounting & finance profession, or in early stages in their careers, become more integrated into the workforce, mobile technology is also providing businesses with a tool to attract customers.

Impact of Mobile Technologies on Accounting Profession of SME's

- Faster services
- More connected workforce across the world.
- Improved productivity and efficiency gains.
- Improved client based servicing.

Social Collaboration

Social media has come a long way in the last couple of years that have passed since people first started using the internet to create, share and exchange information, but the biggest changes have emerged over the past five years. Social media sites for blogging, crowd sourcing, instant messaging, internet calling, sharing pictures and files quickly gained critical mass as popular internet tools for communication and collaboration.

Adoption of Social Collaboration in SME's

The financial accountants of SME's are being reshaped by social collaboration and the new possibilities it creates. As the use of social collaboration tools becomes the 'new normal', the financial accountants of SME's will be affected by changing their approaches and expectations of communication and collaboration.

Impact of Social Collaboration on Accounting Profession in SME's

- Removing communication barriers.
- Enhance decision making process
- Improve productivity.

Digital Service Delivery Channels

Digital services are transforming business of SMEs by exploiting new Information technologies to deliver online business, e-commerce, cloud based software and other services using the internet. Many digital services include key features such as self help and self assessment solutions for different users, and use technologies such as chat bots to handle initial enquiries and requests for support, interactive live chat from websites and portals, and communicate using social sites such as Face book, LinkedIn, and Twitter etc.

Adoption of Digital Service Delivery Channels in SME's

Financial Accountants are using digital services to provide resources and to access resources. Accountancy practices are offering self-service features, such as online data vaults that clients can use to access statutory and management reports and other material the firm has worked on. Online Banking, online shopping, booking flights, booking hotel and more are being made more efficient for customers and more cost-effective for providers.

Impact of Digital Service Delivery Channels on Accounting Profession in SME's

- Improve customer satisfaction.
- Global standardization.
- Providing self service features.

Electronic Payment System

The internet has become both a centre and a platform for accounting & commerce. This is reshaping payment systems across the world. Changes include moves out cheques and a decline in the rate at which the use of credit and debit cards increases. But the most significant change to electronic payment systems has been the rise of electronic banking and different kind of associated e-payment platforms. Services offered by traditional banks are increasingly accessed online from internet-connected fixed and mobile devices; statutory payments must increasingly be made electronically; payment options using mobile phones are proliferating; businesses and consumers have a myriad of ways to make and accept payments for goods and services.

Adoption of Electronic Payment System in SME's

E-commerce features are increasingly being built into software and e-banking is following: even entry-level accounting systems now automate links with bank accounts. Consumers and businesses are exploiting pre-paid smart cards and mobile phones as 'electronic wallets' using services. The speed and magnitude of change is disrupting existing business models and ways of working while creating huge new opportunities and challenges.

Accountants have a valuable role to play in simplifying and streamlining the resulting complexity and fragmentation and reducing costs.

Impact of Electronic Payment System on Accounting Profession of SME's

- Full automation of transactions.
- Increased levels of transparency in transactions can change business and the role of finance professionals.
- Simplified payment system process can save time and money

Cyber Security

The world has become reliant on computers and digital personal and business information. This has exposed individuals, SME's and Organizations to significant threats, and these must be managed as new forms of cyber-terrorism, cyber-crime and cyber-fraud that are emerging. Theft of digital information has become the most commonly reported fraud, surpassing physical theft, and recent research indicates that the relative insecurity of small and medium-sized enterprises is making them a growing focus for cyber attacks.

Adoption of Cyber Security in SME's

As internet use has increased, various software tools widely available to manage cyber security and to protect against deliberate attacks and accidental loss of data. Financial accountant must update about that. Also they regularly reviewed to ensure their effectiveness against new threats.

In the future cyber attacks will become more complex, more severe, and more difficult to prevent, detect, and address.

Impact of Cyber Security on Accounting Profession of SME's

- Financial Accountants can be crucial to identifying, assessing and justifying the risks.

- Constant monitoring can reduce risk and costs.

Objective

The objectives of this study are twofold. Firstly, it explores the level of Adoption of Latest Trends of IT in Accounting of Small and Medium Enterprises. Secondly, it examines the reason for non adoption of the latest technologies. The finding will enrich the existing literature and research on latest trends of IT. As Accounting professionals are the most popular external source of information to small and middle enterprises, their level of awareness on latest trends of IT may trigger the initiatives of the level of IT adoptions among accounting of small and middle level enterprises.

Research Methodology:

This study is exploratory in nature and the data were gathered by using self survey questionnaires. The questions were divided into three parts. Respondent's demographic profiles were asked in part A. Part B contains the awareness of latest trends of Information Technology and reason of non adoption for respondents who choose 'No' as their answer for awareness of latest trends of Information Technology. The Last part C require the respondents to indicate the latest trends of Information Technologies that they use from the list provided and their expectation of latest trends of Information Technology diffusion in the future. This part was answered by respondents who choose 'Yes' for the awareness of latest trends of IT

The survey questionnaires were asking 30 randomly selected accounting professionals of SME's. Accountants were chosen as the sample as they are expected to be more forthcoming in using information technology based on their work nature and prior exposure while doing their accounting degree. Out of 30 questionnaires, 28 were completed and returned (93.33% response rate) and they were used for further analysis.

Result & Analysis:

Out of 30 respondents, More than 70 respondents claimed that they are familiar with latest trends of Information Technology. The study further evaluates any difference, if any, in the awareness level across demographic profiles. Table A depicted the result. Based on the table, familiarity towards latest trends of IT is higher among the Master Degree & PhD Holders including members of professional bodies' respondents.

Table A. Level of respondent's familiarization with Latest Trends of IT

Respondent Profile		Yes		No		Total
		Freq	%	Freq	%	
Gender	Male	15	68%	7	32%	22
	Female	4	67%	2	33%	6
Level of Education	Diploma	2	40%	3	60%	5
	Degree	7	58%	5	42%	12
	Master Degree	7	88%	1	12%	8
	PhD	2	67%	1	33%	3
Member of Professional bodies	Yes	11	78%	3	22%	14
	No	8	57%	6	43%	14
Year of Experience in Accounting Field of SME's	Less than 5 Years	8	67%	4	33%	12
	5 to 10 Years	6	55%	5	45%	11
	More than 10 Years	3	60%	2	40%	5

For the respondents who choose Not Familiar with latest trends of Information Technology, Table B displays the reason for non adoption.

Table B. Reason for not adopting cloud computing

Reason	Freq (%)
1 I have never thought about using or not using latest trends of IT.	5%
2 I know about the latest trends of IT in accounting of SME's.	60%
3 Because I don't know what can I do with these latest IT technologies.	15%
4 I don't trust any of internet based services which may attacked by hackers to steal my data.	50%
5 I am not sure about its success or failure.	30%
7 I don't need.	15%
8 I don't trust.	10%
I don't have access to high speed internet connection to be able to use latest IT Trends.	40%

Further questions were asked to the respondents who claim to be familiar (Yes) with Latest Trends of IT.

Table C. Which Technologies they are using

Reason	Freq (%)
1 Cloud Computing	30%
2 Mobile Technologies	90%
3 Social Collaboration	40%
4 Digital Service Delivery Channels	65%
5 Electronic Payment System	85%
6 Cyber Security	15%

Conclusion:

The main objective of this research paper is to explore the level of Adoption of Latest Trends of Information Technologies and their impact on Accounting Professions of Small & Medium Enterprises (SMEs).

Due to high claim of adoption of latest of trends of IT among accounting in small and middle enterprises, it is important to choose accounting professionals, as they are the most popular source of external factors, advice and support to small and middle enterprises. The study also examines the reasons for not adoption of these new technologies.

Using questionnaire survey to achieve the objectives, the finding provides interesting facts. It shows that more than 70% of the respondents were familiar with these latest technologies. Near about 30% from the total respondents claim familiar with latest trends of IT, but still not really knowledgeable about it, further questions were asked to the respondents who claim to be familiar (Yes) with Latest Trends of IT. 80 to 90% of respondents are familiar with mobile technologies and electronic payment systems where cloud computing and cyber security adoption are very low as compared to other technologies. Finally it is confirmed that users sees that advance technology shifting the shape of business accounting processes.

Suggestions:

As this study is exploratory in nature, more studies are required to further investigate the adoption/non adoption of latest trends of Information Technology and their impact on accounting profession. As this study only focuses on accounting professionals and practitioners on SME's only, a large scale study with respondents from various backgrounds may also contribute both the theoretical and practical advancements of this new technology.

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