

The Director of Link-Pro CPA looks at how cloud accounting can help take business to the next level for small- and medium-sized entities



...utilize big data in small businesses

My company was invited to participate in SmartHK, an exciting event held in Fuzhou from 24 to 26 May. We were deeply honoured to share our thoughts on how to properly use big data as a new business strategy to help entities of various sizes thrive in a highly competitive environment.

As accountants, we focused on the topics of cloud accounting techniques and how it could benefit start-ups and small- and medium-sized entities in the most efficient way when it comes to financial management. We demonstrated the idea behind “cloud accounting,” which means bringing all company financials together in one place and making them available anytime, anywhere and on any Internet-connected device. We constantly see the need to help make financial management easier and more cost-effective for our clients, especially entities with limited financial resources. Cloud accounting software is simple to use and provides a crucial at-a-glance picture of a company’s financial position, and saves both time and money.

The “big data” tailored for your entity is collected automatically while using cloud accounting programs. For instance, the software allows you to quickly generate reports that can help you identify trends or potential weak spots, giving you key business insights that empower you to take control of finances and improve operational efficiency and effectiveness. Furthermore, when you store and work on your accounts in the cloud, you

can integrate your financial management system with a range of other business “add-ons” or apps to transform the way you work and get more out of your data, helping to take your business to the next level.

The relationship between big data and cloud computing is strong. One of the highlighted features of cloud computing is the smart use of a bank reconciliation. Every time you use online banking to access data, you’re using the cloud, a platform that makes data and software accessible online anytime, anywhere, from any device with an Internet connection. Your hardware is no longer the central hub.

This process is the collection of your own big data. Every financial data you input and store in the cloud could be used to forecast revenue, optimize cost efficiency as well as lead to quicker collection cycles. Business owners would improve their operation because the big data provides them with accurate information to make better financial and non-financial decisions. This is especially beneficial for companies that are growing bigger and more complex as big data can help with the handling of multi-currency and multi-company transactions.

This cloud accounting solution has pushed for more collaboration between accountants and small- and medium-sized business owners. A simple flow of information is driven by the plethora of shared platforms, add-on tools and technology that are being released quickly.

We can clearly see successful cases around cloud-based accounting

companies, such as Tokyo’s cloud-based accounting start-up Freee, which has been the dominant accounting software player in Japan for many years. It has been backed by several key initiatives introduced by the Japanese government, such as the launch of e-Gov API (application program interface) and the national identification number system. Freee also helps small businesses generate tax reports in a few clicks for tax submissions to authorities. Automation is made possible because the company is integrated with over 1,600 banks in Japan. These revolutionary changes will accelerate the implementation of cloud-based systems in many business applications, and thereby encourage many SMEs to focus on cloud-based services for businesses.

Automation won’t eliminate accountants. It frees them up to give better advice. It’s also streamlining business relationships – the more you speak to your clients, the more opportunity there is to get more business. An improved communication helps boost the quality of conversations about key business activities between small business owners and accountants.

The accounting profession is seeing a global evolution in which cloud accounting, as the new business strategy, is playing a key role in connecting offices around the world to serve clients globally and help businesses either enter or expand new markets. It’s an exciting time to see that cloud-based technology and integrated workflows are changing the work of CPAs.

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