

3

FINDINGS
FROM THE 3rd
ANNUAL CFOT
SURVEY



THE 2020 K2E CANADA INC.

Accounting and Bookkeeping Operations and Technology SURVEY

*Delivering critical decision-
making data to firms and
companies of all sizes*

2020

Letter from the Founder

Dear Stakeholder,

Thank you for participating in the 3rd Annual Canadian Accounting and Bookkeeping Operations and Technology.

We are exceptionally proud of providing the only survey in the profession where accountants and bookkeepers in firms and employed accountants and bookkeepers throughout Canada are given the opportunity to provide their input. We were not bound by the constraints of surveying only one- member base, one association, or one affiliation.

We caution you to scrutinize all surveys and survey data where the demographics of respondents are not revealed, or the survey results are for one membership-group only. When one population or membership is surveyed, the data will pertain to that membership group primarily, and not be representative of the greater population of accountants, tax professionals and bookkeepers nationally.

The CFOT Survey is national and was promoted through many diverse channels; the data has statistical validity and is a true reflection of the status of the accounting and bookkeeping population in Canada as a whole.

This report includes the tables and charts for the combined accounting and bookkeeping firms and employed accountants and bookkeepers in organizations.

New this year is our "Top 5 Takeaways" and expanded "Executive Summary" and the "Inside the Numbers" analysis, which provides our assessment of the numbers in each section. We have again included six Thought Studies by noted members of the accounting and bookkeeping communities. Finally, where applicable, we have included the responses from the two previous surveys, which enables you to see the trends year over year.

In an effort to assist you with navigating this resource, you might first read the Executive Summary. You can use the Table of Contents to prioritize the sections that interest you most. Within each survey question result area, you will see all responses by the size of the firm; this design helps you to more easily benchmark your firm against others of a similar size.

We appreciate our vendor sponsors who helped to offset the expenses we incur in producing this resource. We are thankful for the thought-leaders who contributed articles sharing their unique insights into the accounting and bookkeeping communities in Canada.

The 2020 Survey was conducted from December 27th, 2019, through February 21st, 2020. The analysis in this benchmark study is based on the detailed responses of 2,053 Canadian accounting and bookkeeping professionals. We received responses from all ten provinces and one territory.

Letter from the Founder

During the development stage of the survey, we had the questions reviewed by key members of the accounting and bookkeeping community. Once the survey was constructed and complete, it was sent to a test group to get feedback, and adjustments were made based on their feedback.

Requests to participate in the survey were then sent to various databases and social media groups. In addition, we asked our sponsors to help us in expanding the reach of the survey to their respective accounting and bookkeeping bases.

The sample size was 15,000. With the 2,053 responses that we received, the survey's confidence level is 99%, with a margin of error of 1%. I am fully confident in the validity of the data for firms of all sizes.

The survey was a team effort, and I want to pay tribute to Ward Blatch, Randy Johnston, Brian Tankersley, Marilyn Benninger, Nancy Salmon, Imran Buhary, and Denis Chernick. I greatly appreciate their efforts.

Some of the material in the survey was provided by Randy Johnston and Brian Tankersley and is reprinted with permission.

I am pleased to present to you our 3rd Annual CFOT Survey report; thank you for your participation.

Respectfully,

A handwritten signature in cursive script that reads "Alan Salmon". The signature is written in black ink on a white background.

Alan Salmon FCPB
alan@salmon.ca

Contents

LETTER FROM THE FOUNDER.....	4
THOUGHT STUDIES.....	16
THE TOP FIVE TAKEAWAYS.....	28
EXECUTIVE SUMMARY	34
ACCOUNTING & BOOKKEEPING FIRMS SURVEY RESULTS.....	50
Your professional profile	51
Demographics.....	54
Membership & Certification	61
Firm Demographics	69
Taxation Services	90
Practice Management	103
Social Media.....	119
Technology Management	128
Computer Hardware	138
Application Software.....	157
File, Data Storage/Management and Security.....	181
Remote Access.....	189
Technology Spending, Decision Making, Annoyances and Trends.....	197
INDUSTRY ACCOUNTANTS & BOOKKEEPERS SURVEY RESULTS	206
Your professional profile	213
Demographics.....	216
Membership & Certification	222
Social Media.....	232
Technology Management	241
Computer Hardware	251
Application Software.....	271
File, Data Storage/Management and Security.....	279
Remote Access.....	283
Technology Spending, Decision Making, Annoyances and Trends.....	290
PARTING THOUGHTS.....	294

Executive Summary

Highlights

Results across all firms

6 out of 10

Practitioners are drowning in digital

6.1%

Average growth in the number of clients in 2019

97%

Referrals is the top method for firms to obtain new clients

90%

Get their PD online

65%

Over 55 and no plans to retire

44%

Percentage of firms using Office 365

40%

Spend 90% of their time working in their office

32%

Firms citing the cost to purchase technology as the biggest issue when it come to IT Support

26%

Are very likely to implement a web based accounting solution over the next two years

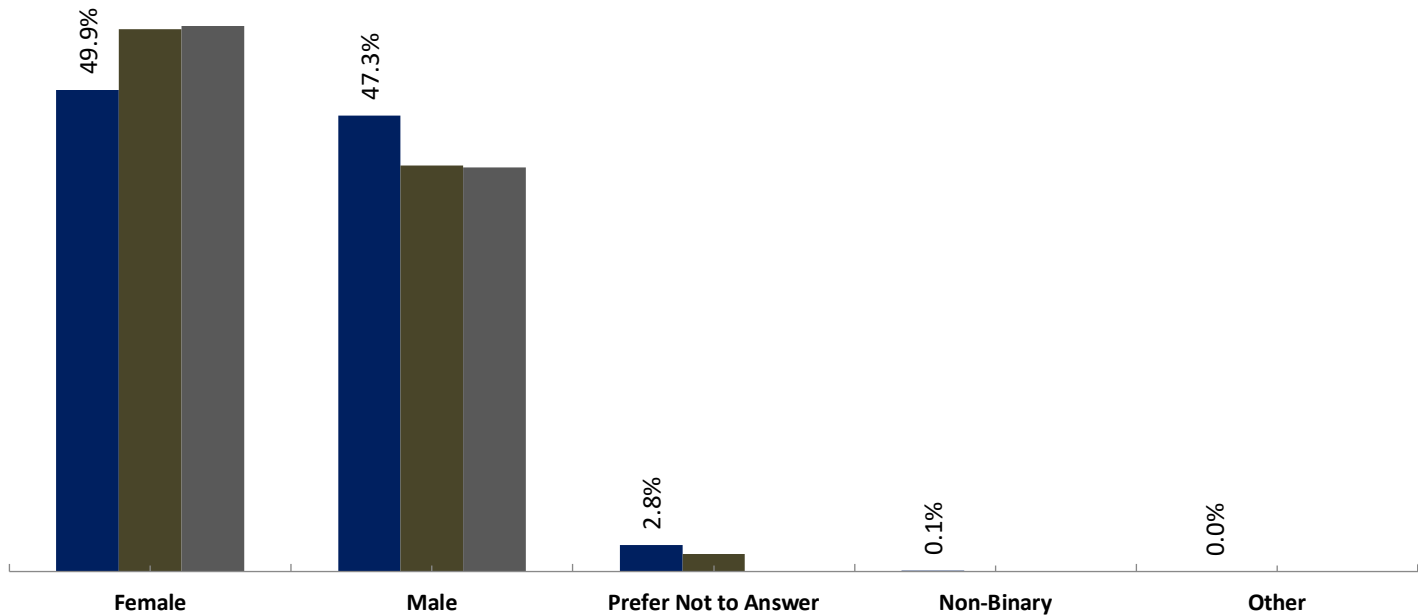
27%

Firms citing Workflow improvement as the #1 area for improvement in the next 2 years

Q2a

What is your gender?

■ 2020 ■ 2019 ■ 2018



Answer Options	Sole Practitioner	Small (2-5)	Medium (6-10)	Large (> 10)	2020	2019	2018
Female	52.7%	43.4%	50.0%	36.4%	49.9%	56.2%	56.5%
Male	44.6%	52.6%	50.0%	63.6%	47.3%	42.1%	41.9%
Non-Binary	9.0%	0.5%	0.0%	0.0%	0.1%	N/A	N/A
Prefer Not to Answer	2.7%	3.6%	0.0%	0.0%	2.8%	1.8%	N/A
Other	0.0%	0.0%	0.0%	0.0%	0.0%	N/A	N/A

Firm Demographics

INSIDE THE NUMBERS:

Firm Demographics

Survey respondents were asked questions that explored the demographics of their firm such as how many years has your firm been in business; what percentage of their time is spent at a location outside of their office; are they considering retirement; what services do their firm provide; how many clients (other than tax clients) do they service on an annual basis; and what is their firm's annual revenue. Also, they were asked to identify the top three challenges they face in managing their firm.

Key Findings

Years in Business

Reflecting on the age demographics of the survey, those over 11 years in the business group represent 75% of respondents. In the separate accounting and bookkeeping firm analysis, 81% of accounting firms have been in business for over 11 years; with the number for Bookkeeping firms being 65%. Bookkeeping firms have the highest percentage of firms under six years at 17%.

Location of Practice

The demographics of the respondents noted in the previous questions point to the results of having 74% of bookkeeping firms working from home, and only 32% of accounting firms doing so.

Percentage of Time Spent from a Location Other Than Your Office

Accountants and bookkeepers are not working from everywhere, although most are getting out of the office from time to time. While we have not seen a trend among survey respondents toward working out of the office a majority of the time, we have noted that over the survey's three-year history, respondents have slowly become more mobile. This year's survey showed that only 13% of respondents reported not working outside their offices, as compared to 14% in 2018.

Major Operational Decisions

The majority of respondents are the decision-makers in the firm.

Retirement

Perhaps it comes as no surprise that practitioners have no plans to retire. Fully three-quarters of sole practitioners either have no plans or no immediate plans to retire. Running your own practice is a career that has no retirement age; some accountants and bookkeepers practice into their 80s.

Somewhat distressing, given the age of most sole practitioners, is the news that 74% percent have no formal succession plan. The larger the firm, the more likely it has planned for succession. Twenty nine percent of all small-sized firms have a plan; 42% of Medium firms and 48% of large firms have a plan.

Services

Providing bookkeeping services is the top-ranked service, with 95% of respondents. This is followed by T1 Tax Preparation and accounting at 81% and the year over year numbers have not changed significantly.

Identify the top three challenges of managing your firm.

Solo Practitioner	Medium (11-50)
Staying informed about current technology (33%)	Attracting new clients (30%)
Managing Workflow (30%)	Recruiting and retention (28%)
Understanding the technology options and selecting the right ones for your practice (30%)	Managing Workflow (25%)
Attracting new clients (25%)	Understanding the technology options and selecting the right ones for your practice (24%)
Offering value added services over and above compliance offerings (21%)	Managing staff (21%)
Cyber security and data privacy (17%)	Offering value added services over and above compliance offerings (20%)
Raising profitability (16%)	Raising profitability (19%)
Identifying opportunities for practice improvements and cost sharing (12%)	Staying informed about current technology (19%)
Recruiting and retention (12%)	Identifying opportunities for practice improvements and cost sharing (16%)
Managing staff (11%)	Cyber security and data privacy (12%)

Small (1-10)	Large (51-100)
Recruiting and retention (55%)	Recruiting and retention (50%)
Offering value added services over and above compliance offerings (35%)	Managing staff (25%)
Understanding the technology options and selecting the right ones for your practice (29%)	Understanding the technology options and selecting the right ones for your practice (21%)
Raising profitability (26%)	Managing Workflow (21%)
Staying informed about current technology (19%)	Cyber security and data privacy (18%)
Making Technology Decisions (19%)	Identifying opportunities for practice improvements and cost sharing (14%)
Identifying opportunities for practice improvements and cost sharing (16%)	Attracting new clients (14%)
Managing staff (16%)	Driving/Implementing change (14%)
Cyber security and data privacy (16%)	Staying informed about current technology (14%)
Marketing and Advertising (16%)	Offering value added services over and above compliance offerings (14%)

Taxation Services

INSIDE THE NUMBERS:

Taxation Services

Survey respondents were asked questions that explored How many T1s and T2s the firm prepared in the 2019 tax year and the average charge to prepare T1s and T2s. Additional questions tracked how firms send the tax returns to their clients and have they changed their tax software in the last five years.

Key Findings

According to the survey, 79% of accountants prepared more than 100 T1 tax returns in 2019, compared to 65% in 2018. Remarkably, 5% of sole practitioners prepared more than one thousand T1 tax returns in 2019. Eighty-seven percent prepared more than 10 T2 tax returns in 2019, compared to 66% in 2018.

There is a significant drop on the bookkeeping side of practices, with only 43% of the bookkeeping respondents preparing more than 100 T1 tax returns, compared to 65% in 2018.

Ninety-three percent of bookkeepers prepare personal tax returns for less than \$250 while for accountants, the number is 79%.

As for corporate tax returns, 26% of accountants will prepare a T2 return for between \$250 and \$750, while for bookkeepers, the number is 45%.

Over time, we have seen a significant shift in how tax returns are delivered to clients – away from paper-based methods, and toward digital-based communication methods. Portal products have become more robust, with most now offering tools for requesting and tracking schedule/data requests from clients, instant publishing from applications, integrated electronic signature, and integration into document management systems. Some tools are now even offering the ability to integrate invoice payment into the finalization of an engagement.

The results suggest that Canadian accountants are in danger of falling behind technology trends and opportunities. Seventy-four percent of Canadian accountants and bookkeepers have not changed their tax software in the last five years.

Tax software is a very competitive market, and it has become relatively easy to migrate client files from one vendor to another. Firms should evaluate the options available today in tax software and the integration with client portals, ease of updating, speed of return processing, client management, and workflow.

Market Share

The table below shows the market share for the major providers of tax software. Intuit Profile leads in the Sole Practitioner Small firm categories with TaxCycle closely following. For medium firms, TaxPrep is far ahead of Intuit Profile and TaxCycle. The same is true for large firms.

[Thought Studies](#)
[The Top Five Takeaways](#)
[Executive Summary](#)
[Table of Contents](#)
[Your professional profile](#)
[Demographics](#)

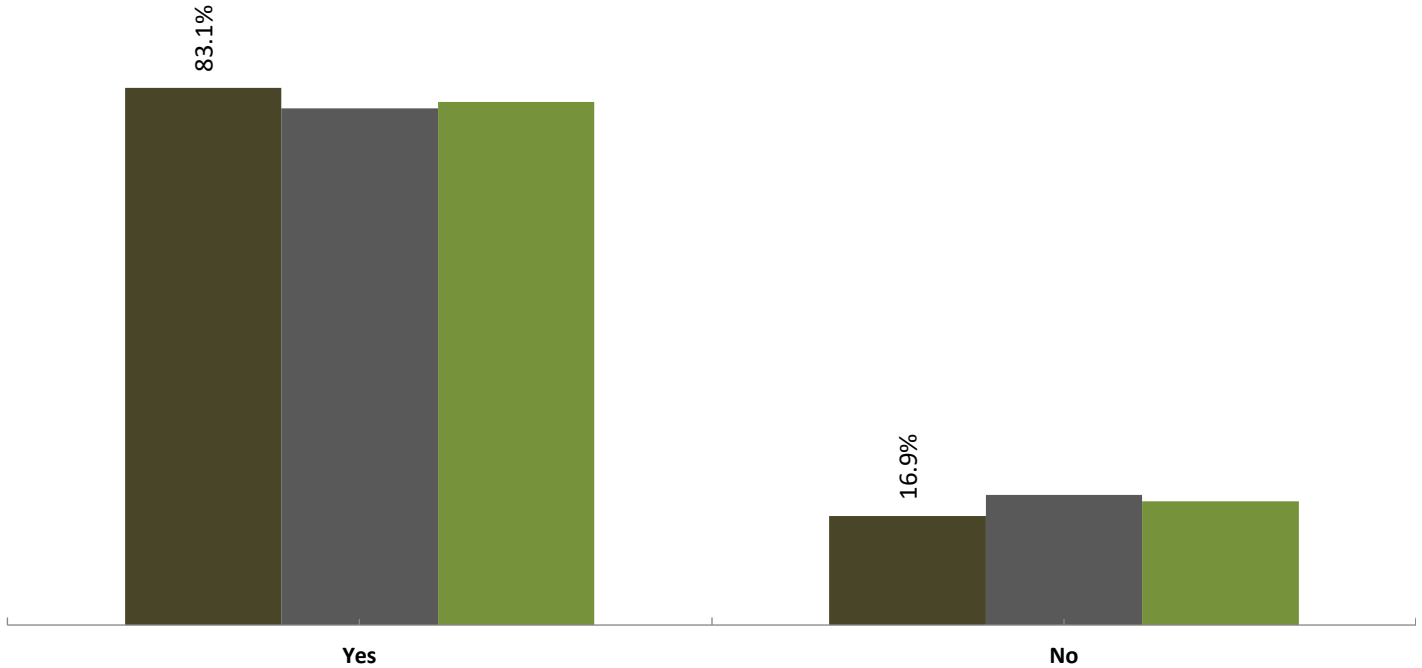
[Membership & Certification](#)
[Firm Demographics](#)
[Taxation Services](#)
[Practice Management](#)
[Social Media](#)
[Technology Management](#)

[Computer Hardware](#)
[Application Software](#)
[File, Data Storage/Management and Security](#)
[Remote Access](#)
[Technology Spending, Decision Making, Annoyances and Trends](#)

Q26

Do you provide tax services to your clients?

■ 2019 ■ 2018 ■ 2017



Answer Options	Sole Practitioner	Small (2-5)	Medium (6-10)	Large (> 10)	2019	2018	2017
Yes	80.5%	88.0%	92.9%	92.0%	83.1%	79.9%	80.9%
No	19.5%	12.0%	7.1%	8.0%	16.9%	20.1%	19.1%

Practice Management

INSIDE THE NUMBERS:

Practice Management

Survey respondents were asked practice management questions that explored “Which of the following channels brings your firm new business”; “which of the following areas do you wish you had more time for”; “please rate the following initiatives you might use to generate revenue”. Please rate the following initiatives you might use “To control costs.” They were also asked, “How does your firm pay its suppliers”?

Key Findings

Firms remain most reliant on referrals from several sources

Referrals, new clients who are referred to a firm from someone they trust, remain the top channel or source of new clients for firms of all sizes.

Areas that Responders Wish They had More Time For

Perhaps it comes as no surprise that, according to the survey, “Vacationing, relaxing” is the number one activity accountants and bookkeepers wished they had more time for at 56%. For sole practitioners, next is “Research and Development for Improving Offerings or Service” at 33%, followed by “Professional Development” at 31%.

The most effective ways to generate revenue

The most effective ways to generate revenue on an overall basis were “Up-sell existing clients” 18%, “Raise fees” at 17%, and “Payroll services” at 17.0%. The most ineffective ways to generate revenue overall were “Sales presentations” at 24% and “Cybersecurity services” at 20%.

For sole practitioners, it is “Raise Fees” at 19%, followed by “Payroll services” at 18% and “Up-sell existing clients” at 17%.

For small firms, it is “Up-sell existing clients” at 20%, followed by “Firm Acquisitions” at 19% and “Team up with another business to generate referrals (i.e., insurance agent, financial planner, etc.)” at 18%.

For medium firms, it is “Firm Acquisitions” at 39%, followed by “Up-sell existing clients” at 36% and “Payroll services” at 19%.

For large firms, it is “Firm Acquisitions” at 29%, followed by “Up-sell existing clients” at 25% and “Cybersecurity services” at 19%.

Generating Revenue

Firm Size	MOST EFFECTIVE ways to control costs (% reporting as "Effective")	MOST INEFFECTIVE ways to control costs (% reporting as "Not Effective")
Solo Practitioners	Payroll services (18.6%)	Firm acquisitions (24.6%)
	Raise fees (18.3%)	Sales presentations (23.6%)
	Up-sell existing clients (16.6%)	Add staff with complementary expertise (i.e. hire a payroll expert) (21.7%)
Small Firms	Up-sell existing clients (20.3%)	Sales presentations (26.4%)
	Team up with another business to generate referrals (i.e. insurance agent, financial planner, etc.) (19.6%)	Payroll services (21.1%)
	Firm acquisitions (18.9%)	Cyber security services (19.6%)
Medium Firms	Firm acquisitions (41.4%)	Payroll services (24.1%)
	Up-sell existing clients (32.1%)	Social media (21.4%)
	Payroll services (17.2%)	Raise fees (21.4%)
Large Firms	Up-sell existing clients (27.3%)	Cyber security services (26.1%)
	Firm acquisitions (26.1%)	Raise fees (24.0%)
	Payroll services (17.4%)	Social media (17.4%)

Size of a firm impacts their view on the most and least effective ways to control costs

The most and least effective ways to control costs are not uniformly agreed to by firms of all sizes. For sole practitioners, "Work from home" at 38% and "Examine the firm for technology, process, or workflow inefficiencies and resolve them" at 31% was the most effective way to control cost. For small firms, it was "Examine the firm for technology, process, or workflow inefficiencies and resolve them" at 40% and "Work from home" at 21%. For medium firms, it was "Examine the firm for technology, process, or workflow inefficiencies and resolve them" at 36% and for large firms, it was "Examine the firm for technology, process, or workflow inefficiencies and resolve them" at 30%.

For sole practitioners, "Delay/Eliminate technology upgrades" at 53% and "Delay/Eliminate staff development" at 52% was the least effective way to control cost. For small firms, it was "Delay/Eliminate technology upgrades" at 53%" "Delay/Eliminate staff development" at 52%. For medium firms, it was "Delay/Eliminate staff development" at 79%, "Delay/Eliminate technology upgrades" at 53%" at 65%, and "Salary Freezes" at 52%. For medium firms, it was "Delay/Eliminate staff development" at 79%, and "Salary Freezes" at 75% For large firms it was "Delay/Eliminate staff development" at 74% and "Salary Freezes" at 67%.

Firm Size	MOST EFFECTIVE ways to control costs (% reporting as "Effective")	MOST INEFFECTIVE ways to control costs (% reporting as "Not Effective")
Solo Practitioners	Work from home (38.2%)	Delay/Eliminate technology upgrades (52.5%)
	Examine the firm for technology, process, or workflow inefficiencies and resolve them (31.4%)	Delay/Eliminate staff development (52.3%)
	Reduction in office space (14.2%)	Salary freezes (47.1%)
Small Firms	Examine the firm for technology, process, or workflow inefficiencies and resolve them (39.9%)	Delay/Eliminate staff development (64.7%)
	Work from home (20.9%)	Delay/Eliminate technology upgrades (60.9%)
	Reduction in office space (14.0%)	Layoff staff (51.6%)
Medium Firms	Examine the firm for technology, process, or workflow inefficiencies and resolve them (35.7%)	Delay/Eliminate staff development (74.1%)
	Work from home (3.8%)	Hiring freezes (68.0%)
	Salary freezes (0.0%)	Salary freezes (66.7%)
Large Firms	Examine the firm for technology, process, or workflow inefficiencies and resolve them (30.4%)	Delay/Eliminate staff development (77.3%)
	Layoff staff (4.5%)	Salary freezes (68.2%)
	Reduction in office space (4.5%)	Delay/Eliminate technology upgrades (65.2%)

Technology Management

INSIDE THE NUMBERS:

Technology Management

Survey respondents were asked technology management questions concerning email and IT support, Web portals, mobile devices, and security. They were also asked about network downtime.

Key Findings

Technology is one of the top challenges facing Small accounting and bookkeeping firms. More than 60% of respondents cite technology knowledge as one of their three major challenges, yet 53% report that they alone are responsible for making all decisions.

How is IT support handled in your firm?

Answer Options	2020 Total	2019 Total	20187 Total
I handle it	53.9%	54.7%	58.3%
We hire external IT for projects or when needed	41.7%	44.3%	48.2%
We use outsourced managed services	12.3%	14.0%	10.2%
We use hosted services	6.9%	7.9%	6.7%
One of the staff handles it	6.5%	6.2%	7.9%
One of the partners handles it	5.4%	4.9%	5.9%
We employ one or more full-time IT people or have an IT department	4.9%	4.8%	2.7%
Other (please specify)	3.0%	2.8%	3.2%

By far, the most common scenario is the person completing the technology survey is also the one that handles IT. A very large percentage of accounting and bookkeeping firms, 42%, hire external IT for projects or when needed. With the cost of outsourced managed services on a steady decline, many firms should re-evaluate this option compared to the opportunity costs of having in house personnel handling IT support. There is very little change year over year.

The use of outsourced managed services is not growing, which is surprising considering the savings that occur when you outsource your IT.

Email challenges continue, no relief in sight due to how ubiquitous it has become in everyday work

Email is essential to our everyday lives. A vast majority of those of you reading this survey report actually heard about the survey via email, received this report from the survey founder via email; and handle a bulk of your business dealings using email.

Computer Hardware

INSIDE THE NUMBERS:

Computer Hardware

Survey respondents were asked computer hardware questions concerning their primary brand and replacement schedule for critical servers; whether they used virtual server(s); their primary brand and replacement schedule for desktop PCs and notebook/laptop computers; and they were asked to report on the number of monitors being used in their firm; video conferencing and scanners. Survey respondents were asked operating system questions concerning network operating and desktop operating systems.

Key Findings

The rapid retirement of older desktop and network operating systems continues

It's closing time for Windows 7, Windows Server 2008 R2, and Office 2010, with Microsoft's support for the latest versions of Windows 7 and Server 2008 R2 is set to end January 14, 2020, and Office 2010 support ends on October 13, 2020. Some accounting firm software publishers have already discontinued support for Office 2010 and will discontinue support for other legacy operating systems in the coming months. One firm publisher discontinued support for Microsoft SQL Server 2012 in late 2019, forcing many firms onto more modern platforms.

Networks

When it comes to networks, 58% of firms have a network. It is interesting that 46% of Sole Practitioners have a network. This number jumps to 100% for Medium firms and strangely only 92% for Large firms

Windows Server 2016 is the most popular platform for networks in firms, with 12% of firms reporting that they are using this operating system, followed closely by Windows Server 2016, with 12% of firms using that operating system.

Thirty-three percent of respondents are using "Virtual Server" technology. The leader is VMware/vSphere at 11% followed by Microsoft Hyper V at 9% and Citrix XenServer at 6%)

Desktop users of Windows 7 are dropping off rapidly

Windows 7 64-bit usage has dropped off precipitously, from 16% of users in 2019 to 5% in 2020. Over the same period, Windows 10 adoption has gone from 66% in 2018 to 76% in 2019 and is now at 90% for 2020.

Although there are a few stray Windows Vista and Windows XP users, constituting approximately .02% of the respondents, firms seem to have done a good job of staying on operating system platforms which are supported by the software publishers. Windows 8/8.1, which many firms avoided altogether, is now at 1% of respondents – meaning that there are fewer practitioners using Windows 8/8.1 as are currently using Mac OS.

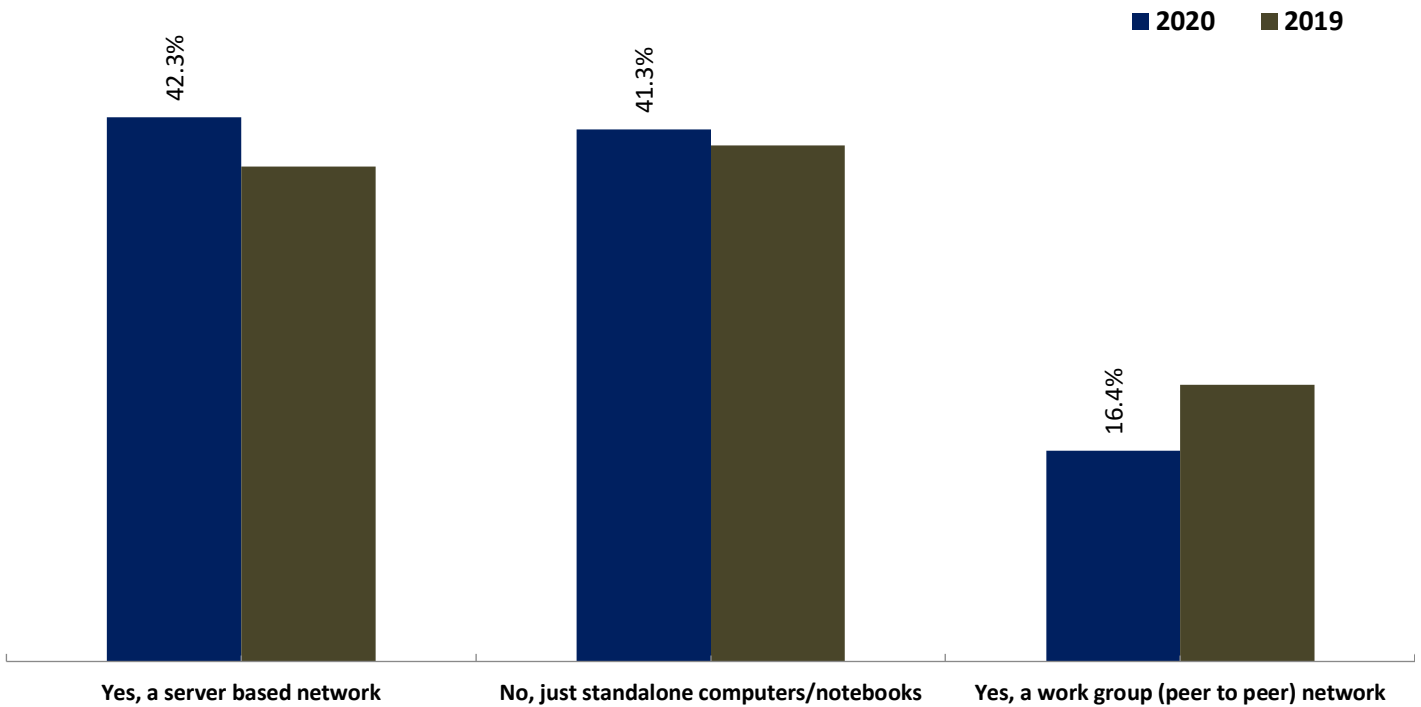
Dell is the leading hardware manufacturer used on servers, desktops, and laptops

Dell has a lead over rivals HP and Lenovo in servers, desktops, and notebook categories.

Many firms are still non-committal on hardware replacement cycles. When asked how often the firm replaces each hardware type (servers, desktops, and laptops), the overall top response for each question was "as needed/varies" – showing that the respondent either wasn't sure of the firm's policies, or the firm had not committed to a specific replacement cycle.

Q55

Does your firm have a network?



Answer Options	Sole Practitioner	Small (2-5)	Medium (6-10)	Large (> 10)	2020	2019
No, just standalone computers/notebooks	53.7%	15.6%	0.0%	8.7%	41.3%	40.1%
Yes, a work group (peer to peer) network	18.2%	14.2%	4.0%	4.3%	16.4%	21.5%
Yes, a server based network	28.1%	70.1%	96.0%	87.0%	42.3%	38.5%

Application Software

INSIDE THE NUMBERS:

Application Software

Key Findings

Survey respondents were asked application software questions concerning Spreadsheet software, Document Management Systems, Workflow Software, Practice Management Software Payroll Software, and Research Solutions. There were three questions regarding the Accounting Software and Apps that firms are using.

Firms of all sizes are moving to Microsoft Office 365

Office 365 is the dominant way for firms to subscribe to Microsoft Office applications; up to 44% in 2020, from 36% in 2019. Excel 2016 is down to 13% from 22.0% in 2019. Firms are eliminating their reliance on Excel 2010 due to the end of support for this product in early 2020. Google Sheets is at 2% in the current year, down from 3% in the prior year.

Scanning Technology for Tax Return Source Documents

DoxCycle leads in this category at 13%, followed by Doc.It Scan and Organize at 7% and CCH Scan at 5%. The next two competitors may be used more for workflow and standardizing the scanning and storage of documents, then inputting into the returns.

Document Management Software

Do it Yourself with Your Own System is the leader in this category at 20%, followed by CaseWare at 11% and DropBox at 8%.

With lots of great options and integration to accounting programs now available, organizations need to evaluate moving to paperless. The cost savings, improved efficiencies, and business continuity and disaster recovery paperless provides make it a must-do item.

Managing workflow is an opportunity for firms

The management of workflow reveals another contradiction. Workflow and efficiency were cited as one of the "biggest technology challenges" faced in public practice in the next one to three years. And respondents cited the fixing of workflow efficiencies as the most effective cost control, and yet 31% of respondents are not using workflow software. The good news is that 15% are considering the implementation of a workflow solution.

While Microsoft Excel was cited most often by sole practitioners and small firms as the most popular workflow software, Client Track was a popular option among sole practitioners, small firms, and large firms. CCH ProSystem fx Practice Management was popular among medium-sized firms. XCM led in the large firm category.

Engagement Management Software

In the separate accounting and bookkeeping firm analysis, only 13% of bookkeeping firms use engagement software, and of that group, 6% use CaseWare. In accounting firms, 68% of firms use engagement software, and 59% use CaseWare.

Write-up/Bookkeeping Software

Fifty nine percent use QuickBooks Desktop for Write-up or bookkeeping software. This is followed by QuickBooks Online at 53% and Sage 50 at 46%. Not surprisingly, firms are using desktop applications primarily for write up/ bookkeeping, as a single license can be used for multiple businesses.

[Thought Studies](#)
[The Top Five Takeaways](#)
[Executive Summary](#)
[Table of Contents](#)
[Your professional profile](#)
[Demographics](#)

[Membership & Certification](#)
[Firm Demographics](#)
[Taxation Services](#)
[Practice Management](#)
[Social Media](#)
[Technology Management](#)

[Computer Hardware](#)
[Application Software](#)
[File, Data Storage/Management and Security](#)
[Remote Access](#)
[Technology Spending, Decision Making, Annoyances and Trends](#)

Preference for Practice Management and Time & Billing software is dependent on the size of the firm

The popularity of practice management and time & billing software is heavily dependent on the size of the firm. QuickBooks (any version) is the most popular solution for solo practitioners and small firms. CCH ProSystem fx Practice Management leads in the medium and large-size firms. Twenty-four percent of large firms use an in-house developed system.

Firm Size	Please Identify Your Firm's Practice Management or Time & Billing Software
Solo Practitioner	QuickBooks (any version) (19%)
	Other (please specify) (13%)
	Excel (9%)
Small Firms	QuickBooks (any version) (13%)
	Other (please specify) (13%)
	TPS Software On Premise (12%)
Medium Firms	CCH ProSystem fx Practice Management (46%)
	CaseWare Time (14%)
	CCH iFirm Taxprep (11%)
Large Firms	CCH ProSystem fx Practice Management (38%)
	In-house developed (24%)
	Other (please specify) (10%)

Payroll Software

Sage is the leader at 24%, followed by QuickBooks Desktop at 22% and QuickBooks Online 10%. When it comes to stand-alone payroll systems, Wagepoint leads the way, followed by Easypay, Excel, and ADP.

Client Accounting Systems

When it comes to the accounting systems that firms support for their clients; for sole practitioners and Small firms, QuickBooks Desktop is the leader followed by QuickBooks Online and Sage 50. For medium-sized firms, it's QuickBooks Desktop, followed by Sage 50 and QuickBooks Online. For large firms, it's Sage 50, followed by QuickBooks Online and QuickBooks Desktop.

Technology Spending, Decision Making, Annoyances, and Trends

INSIDE THE NUMBERS:

Technology Spending, Decision-Making, Annoyances, And Trends

Survey respondents were asked to report on what software or services their firms plan to implement in 2020, what is their firm's technology budget and what factors impact their propensity to recommend a vendor's product or service. And how they prefer to learn about technology. Finally, they were asked to report on their biggest technology issue or annoyance.

Key Findings

How likely is your firm to implement a Web Hosted / Cloud-based / Software-as-a-Service version of the following applications over the next two years?

Overall in the top spot is work flow at 28%. This is followed by Time and Billing/Practice Management at 24% Accounting at 17%. It is good news that 28% are likely to implement a Work Flow solution.

What software or service is your firm looking to evaluate in 2020?

The table below shows the software/services that firms are looking to evaluate in 2020.

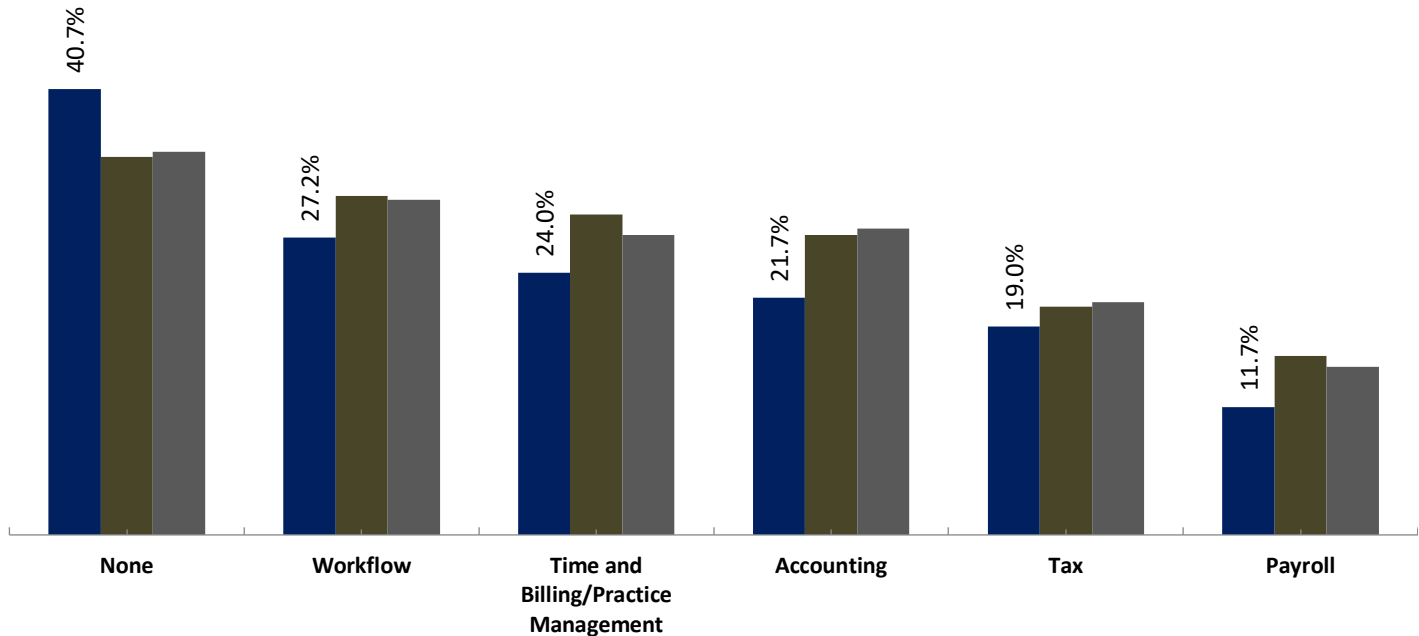
Firm Size	What Software or Services are you Looking to Evaluate in 2020
Solo Practitioner	Workflow (26%)
	Accounting (23%)
	Time and Billing/Practice Management (22%)
Small Firms	Workflow (34%)
	Time and Billing/Practice Management (30%)
	Accounting (18%)
Medium Firms	Time and Billing/Practice Management (31%)
	Workflow (31%)
	Accounting (15%)
Large Firms	Time and Billing/Practice Management (29%)
	Workflow (29%)
	Bill Payment (19%)

Q95

What software or service is your firm looking to evaluate in 2020? (Select all that apply)

TOP RESPONSES

■ 2020 ■ 2019 ■ 2018



Answer Options	Sole Practitioner	Small (2-5)	Medium (6-10)	Large (> 10)	2020	2019	2018
None	41.0%	40.3%	43.5%	33.3%	40.7%	34.6%	35.0%
Accounting	23.3%	18.3%	17.4%	14.3%	21.7%	27.4%	28.0%
Tax	20.3%	17.3%	13.0%	9.5%	19.0%	20.9%	21.3%
Bill Payment	10.1%	13.1%	8.7%	19.0%	11.0%	14.1%	11.8%
Payroll	12.3%	11.0%	8.7%	4.8%	11.7%	16.3%	15.4%
Time and Billing/Practice Management	21.3%	29.8%	34.8%	28.6%	24.0%	29.3%	27.4%
Workflow	24.8%	33.0%	34.8%	28.6%	27.2%	31.0%	30.6%
Other (please specify)	2.7%	1.6%	4.3%	4.8%	2.5%	3.5%	3.1%

Employed Accountants & Bookkeepers

SURVEY RESULTS

Your professional profile	213
Demographics	216
Membership & Certification	222
Social Media	232
Technology Management	241
Computer Hardware	251
Application Software	271
File, Data Storage/Management and Security	279
Remote Access	283
Technology Spending, Decision Making, Annoyances and Trends	290

Application Software

INSIDE THE NUMBERS:

Application Software

Survey respondents were asked application software questions concerning Spreadsheet software, Payroll Software, Document Management Systems, and Research Solutions. There were two questions regarding the Accounting Software and Apps that firms are using.

Key Findings

Organizations of all sizes are moving to Microsoft Office 365

Office 365 is the dominant way for organizations to subscribe to Microsoft Office applications at 36% in 2020. Excel 2016 is down to 20%. Organizations are eliminating their reliance on Excel 2010 due to the end of support for this product in early 2020. Google Sheets is being used by 1% by respondents.

Payroll Software

ADP is the leader at 16%; Followed by Ceridian at 14% and Sage at 11%. When it comes to stand-alone payroll systems, QuickBooks Desktop leads the way, followed by Payworks and Easypay.

Internet Browsers

The use of IE is double that of accounting and bookkeeping firms; perhaps there is a requirement for IE with a business-specific application.

Accounting Systems

The data for this question has serious anomalies and is not statistically valid. Therefore, we have decided not to display the data.

Accounting Apps

When it comes to the accounting apps that organizations use, Receipt Bank is the leader at 5%, followed by HubDoc, Concur, and TSheets at 2%. Eighty-five percent of organizations do not support any accounting apps. This is much lower than the firm responses.

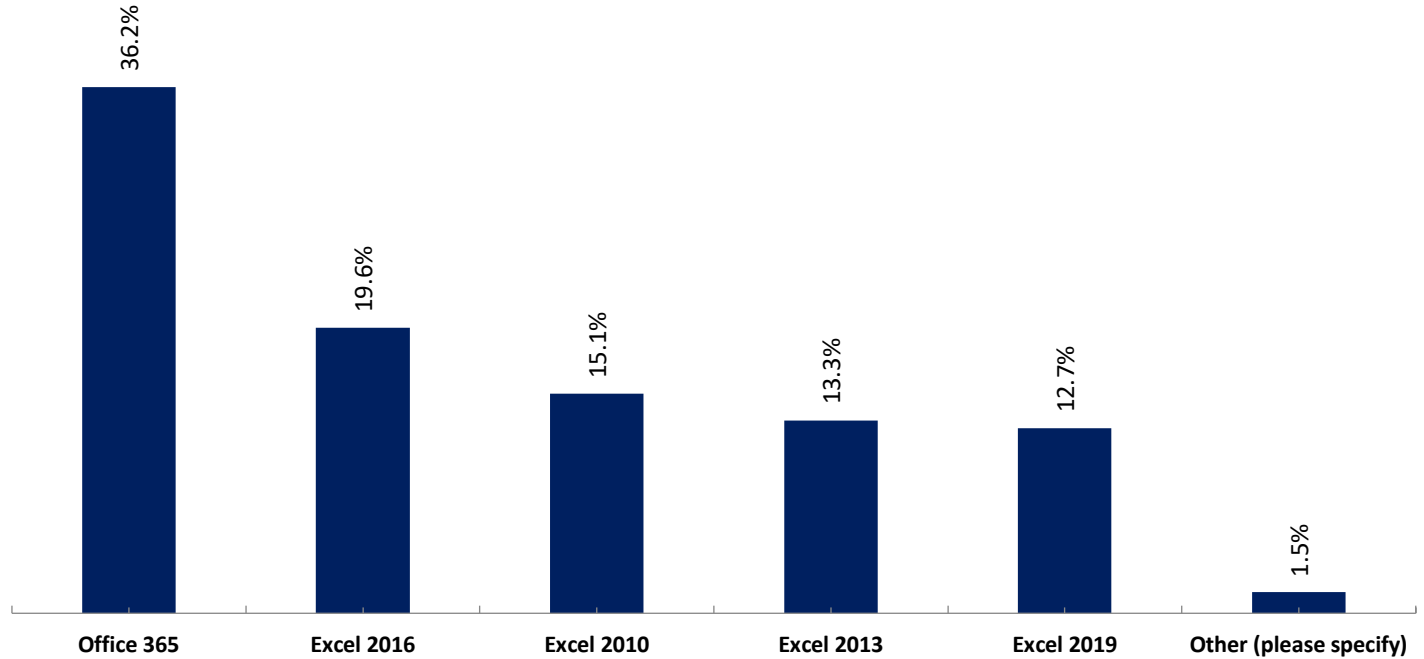
There is almost double the percentage of bookkeeping firms using HubDoc as there are accounting firms and 24% more bookkeeping firms using apps compared to accounting firms.

Q140

What is your organization's PRIMARY spreadsheet software?

TOP RESPONSES

■ 2020



Answer Options	Accountants	Bookkeepers	2020
Office 365	35.2%	40.2%	36.2%
Excel 2019	10.7%	20.5%	12.7%
Excel 2016	21.2%	13.4%	19.6%
Excel 2013	13.9%	10.7%	13.3%
Excel 2010	16.2%	10.7%	15.1%
Google Sheets	1.6%	0.0%	1.3%
Open Office	0.0%	0.9%	0.2%
Zoho Sheets	0.2%	0.0%	0.2%
Other (please specify)	0.9%	3.6%	1.5%

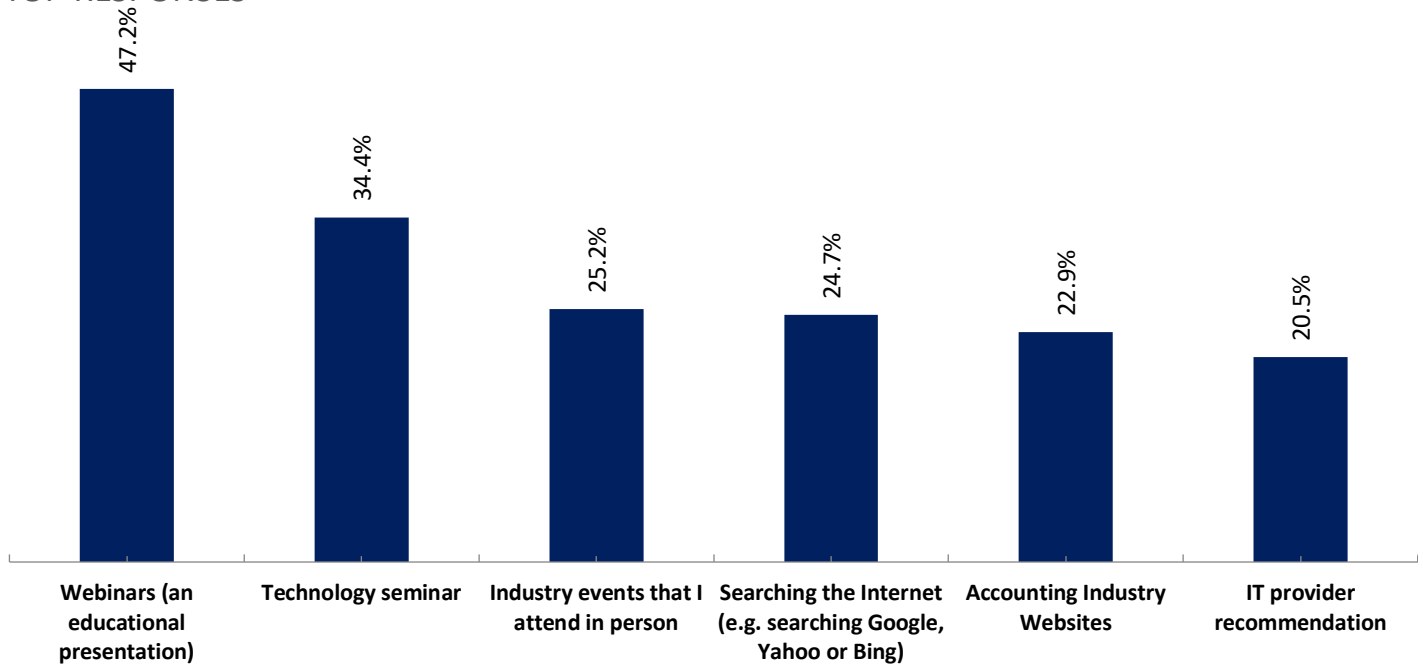
**Technology
Spending,
Decision Making,
Annoyances
and Trends**

Q151

What are your two most preferred ways to learn about technology for your organization?

TOP RESPONSES

■ 2020



Answer Options	Accountants	Bookkeepers	2020
Accounting Industry Websites	23.0%	22.6%	22.9%
Industry events that I attend in person	25.4%	24.5%	25.2%
From my peers	16.5%	21.7%	17.6%
From consultants	17.7%	7.5%	15.7%
Industry Expert Blogs	3.8%	2.8%	3.6%
Industry Magazine	6.5%	2.8%	5.7%
IT provider recommendation	21.1%	17.9%	20.5%
A demonstration of the technology from the vendor	12.2%	9.4%	11.7%
Searching the Internet (e.g., searching Google, Yahoo or Bing)	23.3%	30.2%	24.7%
Technology seminar	36.0%	28.3%	34.4%
Vendor website	7.2%	14.2%	8.6%
Magazine advertising	1.4%	1.9%	1.5%
Telemarketing calls	0.0%	0.0%	0.0%
Mailers (e.g. post cards)	0.2%	1.9%	0.6%
Webinars (an educational presentation)	47.0%	48.1%	47.2%
Other (please specify)	2.2%	4.7%	2.7%

[Your professional profile](#)
[Demographics](#)
[Membership & Certification](#)
[Social Media](#)

[Technology Management](#)
[Computer Hardware](#)
[Application Software](#)
[File, Data Storage/Management and Security](#)

[Remote Access](#)
[Technology Spending, Decision Making, Annoyances and Trends](#)