

AI Powered Humans: Using AI to Grow Your Practice

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PANELISTS

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Beth Melcher, MoneyFit

AI can become your superpower instead of your greatest enemy. Computers can already diagnose some cancers better than doctors. But no one wants the computer telling them that they have cancer. The same will be true for diagnosing a business's problem. Learn how the panel members are leveraging the technology of today and developing the technology of tomorrow that will allow you to become better advisors and coaches.

Takeaways from today's session:

- Quit fearing what AI will do to your practice
- Tools you can use to quickly provide you the information you need to be an advisor
- How to automate low level advisory

Beth founded MoneyFit in Traverse City, Michigan to empower the owner - company connection by educating clients to understand and command the language of finance. She brings more than 25 years' experience in the financial and consumer products industries. Beth and her team of MoneyFitness trainers lead their clients to understand and leverage the underlying financial concept that there is strength in numbers.

Beth earned an MBA in strategic planning and marketing from the Weatherhead School of Management at Case Western Reserve University in Cleveland, Ohio. She is also a member of the 2018-2019 Intuit Accountant Council.

What work will you give to AI?

The workflow functions best suited for assignment to the AI arm of the firm are those tasks for which I can create rules to move data from one format type to another. Tasks may include the conversion of data on paper to QBO transactions (available both as a function inside QBO - receipt capture, or from a document parsing software like Receipt Bank, Hubdoc). The AI structure of the workflow must allow for the human to review the integrity of the work before it can permanently impact what the customer sees.

With AI doing the "busy work" - what will you do instead? Human Side

The concept of "finding your why" has become pretty familiar to many of us. As I am freed from the data entry/transaction inputting daily tasks in our firm, I can focus on guiding the client to charting out and adhering to his or her "why goals." I would like to argue that quantifying "why goals" is just as important as setting a target for a more typically used KPI such as % growth target. As I convert my role with my clients from someone who processes and sends financial statements into Jedi master, labyrinth guide who leads the client towards attaining his or her life goals, or relationship has taken on a profound and unshakable position.

Beth Melcher, MoneyFit

What are the dangers of using AI?

"Set it and forget it" terrifies me. I think of dry Christmas trees that have been left on all night. AI will do exactly what you ask it to do and not stop to say, "are you sure?" Someday, you might get in a car, say "Take me to Portland" fall asleep and wake up in Maine instead of Oregon. Humans must monitor and intervene to ensure the quality but also help the AI in cases of inconsistent inflowing data, broken workflows - or just plain, undefined glitches.

How does AI allow you and your clients to have a better lifestyle?

This question is related to "working your why". Historically, one of the greatest leaps in human brain development was when our food source allowed us to discontinue constant grazing. During the period of human development when we spent HOURS walking around gathering, we had very little time to problem solve, develop tools. When ProAdvisors transition the "grazing work" to the AI - we see the same process at work. Our daily effort is now spent on nurturing the higher levels of Maslow's Hierarchy of needs. From the perspective of your workflow - the data entry and transaction building (food, water, warmth, rest, security safety) is handled -- you can move up to fulfilling psychological needs is primarily made up of friendships. During a time in our industry when providers are concerned about the entry of AI into the industry for fear it may erode their client base, it is the PERFECT time to use AI to build up to those deeper and more enriching relationships that endure cyclical market changes.

How do you assist and support clients in the acceptance of an AI platform?

There is a concept in a Montessori classroom called "follow the child." It is a great reminder that when you offer anyone an opportunity to learn something new, the acceptance and adoption of that lesson must come first from where the client has begun his or her journey. MoneyFit starts by setting up initial client vetting systems that make sure we connect with potential clients - ones who are best positioned to accept a higher tech workflow. It may sound simple, but we direct inquiries to our website so they can schedule their 60-minute free consultation. We lose some folks there - and that's what we want. After that, we do our own product onboarding with the client and provide PDF show and tell documents that outline the important screens, instructions, usernames and passcodes. We do our own training docs instead of those offered by the applications - I want the clients to know that they are working with and fully supported by us. Lots of reasons for this one:

- I control the quality and timeliness of the communication;
- If my firm switches to a new app it is not as impactful on the client

Beth Melcher, MoneyFit

How do you pick your AI platforms?

First, we review those segments of the workflow that may be made more efficient by the introduction of an AI application. Then we collect two to three top candidates and research - demos and interviews with sales folks. Then we run them with our favorite clients. (I know right?) For me a sandbox doesn't have enough curveballs in it...AND I get a chance to interface with the app's service/support team and not just the sales team. Lots of apps are excited about getting more subscriptions, but not as great at keeping them. If you have an app online and a client is prohibited from performing payroll or running their POS terminal or paying their bills - a silent support team is not helpful. The ProAdvisor cannot be an app expert on all of the apps. There are constantly new releases, features - discontinued features or system outages... we know that we need a team to support us. If there isn't one (or if an app chooses to slip on their support services) we start looking elsewhere.

Obed Maurice, Clique Advisor & Avail CPA LLP

Obed is the founder of one of Canada's early virtual accounting firms. He is a CPA in both Canada and the US. In 2018 Obed merged his practice with Avail CPA, where he is now the partner in charge of cloud accounting. Obed has served as both a Canadian and North American Accountants Council member for Intuit. He is passionate about fintech and improving financial well-being through technology. Obed's latest venture is a fintech company called CliQue Advisor, that helps firms provide a modern UX for its clients. This project has received support from the National Research Council of Canada.

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What is AI and Machine Learning?

AI (Artificial Intelligence) is a wide-ranging branch of computer science and engineering that is focused on making intelligent machines that mimic human intelligence. ML (Machine Learning) is one of the primary techniques used to achieve or create AI. The ML technique is based on the idea we can automate data analysis and that a computer can get progressively better at a task. A key characteristic of ML is the automation of analysis, prediction and improvement. Rather than writing thousands of lines of rule-based code - this work can be using a stack of algorithms.

Obed Maurice, Clique Advisor & Avail CPA LLP

Some of the things an AI system that would do are planning, learning, reasoning and problem solving. It's important to note how our definition of intelligent machines has grown and is largely determined by context. For example - 20 years ago, a calculator or vehicle navigation would have been viewed as artificially intelligent. Now, these are things we accept these things as simple functions.

What work will you give to the AI?

All of it, haha. I'm joking but not really. I'm a big fan of the human side/personalization of professional accounting. I would really like to use AI to help me provide a better client experience as well as being a supercharged finance professional. When it comes to client experience, I will be focusing on things that make it easy and valuable for our clients to engage us. For example, using chatbots for real time answers or recommender engines to improve the level of personalization. It really irritates me when a client has a poor experience when engaging their finances. I'm also very mindful of the amount of work it currently takes to produce a highly personalized and convenient experience. This is a huge limitation to scale. We should work on changing that for ourselves and for our clients. We will also be giving a lot of attention to the number crunching and analysis side of the profession. AI and ML are built to process data and ideally high quality/structured data. That happens to be something us finance people have a lot of. We're doing a decent job using AI for process automation and we're seeing some great examples of this at the conference. This is an area we should continue to invest our time and energy into understanding and leveraging. I couldn't imagine us accountants wanting less process automation. However, we have a big opportunity on the analytics and predictive side of AI/ML. It's really time consuming for us accountants to sift through mountains of data, identify trends, opportunities, risks and then render meaningful insights. AI/ML is really good at that and we can use these tools to speed up the process and improve accuracy.

What are the dangers of using AI?

I'm concerned about ethics, privacy and diluting our professional knowledge. With respect to ethics, us accountants have a lot of data and we need to be mindful of how that data is used to train our AI models and who that data is exposed to. We should avoid using personal information in testing and have very clear policies around privacy and who we share data with. My fear is that we share or expose personal information without client consent and understanding. As fiduciaries - we are held to a very high standard with respect to protecting our clients' interests. This includes how we manage, share and use our client's data. Most people get pretty upset when they learn that certain companies have exploited them through their data or mismanaged their data. It's important that we avoid these types of situations.

Obed Maurice, Clique Advisor & Avail CPA LLP

We should also be mindful of how much we rely on AI/ML. One of the challenges of AI/ML is that we don't always understand how predictions or classifications were made. Having a limited understanding is ok if we're talking about a Netflix recommendation or relying on spam filters. However, if we're relying on AI/ML to augment our advisory practices, we should have a strong understanding of the fundamentals and continue to develop our technical abilities to form judgements and make decisions. The best situation is having a highly skilled finance professional - augmented by AI rather than relying entirely on it.

How does AI leverage you to move up the value chain?

I touched on this before. I think AI and technology in general allows us to do what we're already great at - but faster and better. In my case, I love client experience so I'm always finding ways to bring more relevant experiences to our clients. With respect to AI, we leverage the process automation side of things so we can really focus on personalization and our relationships. We're not trying to do accounting faster and race to the bottom. We're trying to produce meaningful experiences that are based on timely and high-quality data. Because of this new type of relationship, we're providing a much broader range of services. For example, we're mining our data to help clients identify new opportunities such tax planning, optimizing their businesses or discovering our wealth management service line. We're also starting to understand our client's preferences (both stated and inferred) and provide more relevant content to them. I believe there is a huge relationship between client experience and perceived value. We work really hard to understand this perceived value and AI can help us with that. My ultimate goal is to understand how people engage with their finances on a very deep level. With this understanding, we can use AI in the right ways to help improve their financial well-being.

How does leveraging AI change how you manage your practice?

We certainly have a new set of problems and opportunities. I eluded to some of those earlier such as ethics and privacy. We're now thinking about new problems such as adoption rates, security and client experience. I think the biggest changes have come in the areas of firm culture and business model design. The pace of innovation has been pretty extreme, and we need to new strategies around who to hire/promote, how to train people, how to innovate internally, how we approach failure/risk taking and even how we will work. Firm culture is a really big deal and building a great one is a top priority. Business model design of our firms is another huge change. We now need to look at a variety of pricing models, privacy and security, third party relationships, deciding what technology to invest in, assessing what our fiduciary responsibilities are, client experience and even new service lines to invest in. Oh, and we still need to produce high quality deliverables. It's fun and exciting and these are great problems to grapple with. The one thing we should be prepared to do is "change."

Obed Maurice, Clique Advisor & Avail CPA LLP

How do you pick your AI platforms?

We are fairly strategic about this and I like to put on my fiduciary hat when making these decisions. I love how cool the potential of AI can be, but I've learned the importance of having internal standards as opposed to relying on third parties. I've also learned to get the input of smart people such as the IT folks and developers. For us, we need to start with a business case of logic. Essentially answer the question- how does our firm commercialize this platform and improve our business? If this makes sense, we will do some beta testing with fake data and run through a validation process. We need to keep in mind that the claims of some platforms don't always agree with the functional outcomes. We're basically stress testing these tools to make sure they live up to our use case. From there, we filter the tech through our Cyber Security Policy, Privacy Policy and IT Best Practice Policy. These policies have some specific technical standards our platforms are expected to meet. If we have a clear business objective, validated functionality and the appropriate amount of security - we should give it a try.

Jacob Schroeder, Ascend Consulting LLC

Jacob is the Founder and CEO of Ascend Consulting and the Co-Founder of Ideation: Think Forward. Initially Jacob started working with business owners to assist with tax filing and compliance but found that his real passion is in guiding business owners on how to scale what they're passionate about. With Jacob's guidance his clients have the ability to grow without being hampered down. With his ear to the ground, Jacob sees that the accounting industry is not yet ready for tomorrow. Through Ideation: Think Forward, Jacob is actively working to elevate the industry so that it is ready to meet the opportunities and challenges it faces. In his spare time, Jacob enjoys spending time outdoors as well as travelling and reading! Jacob has his Associates, Bachelors, and master's degree in Accounting and has been a CPA since 2013. He has also had the honor of serving on the Intuit Accountant's Council.

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Jacob Schroeder, Ascend Consulting LLC

Will AI kill the accounting industry?

AI will not kill the accounting industry, but accountants who use AI will take the jobs of accountants that don't. Computers can already diagnose some cancers better than doctors. But no one wants the computer telling them that they have cancer. The same will be true for diagnosing a business's problems. Our roles may change, and empathy may become more important, but AI will not kill the accounting industry. Instead if we implement AI correctly, it will give you the time and ability to move up the value chain.

What work will you give to the AI?

AI is great at repetitive tasks in which it can be trained to do the same things or to find patterns. Some examples are below:

- Onboarding
- Document parsing (pulling data from receipts and bank statements)
- Transaction categorization
- Cash flow analysis
- Trend analysis, KPI
- Bill approval process

With AI doing the "busy work" - what will you do instead?

If we simply use this increased efficiency to add more clients, then AI will eventually replace us. To survive the 4th Industrial Revolution we have to focus on how we can have a greater client impact. We need to use this time to learn more about our client's goals, dreams and desires. Then we need to take that knowledge and help them build plans to achieve them, measure their performance against the plan, increase the efficiency of their operation, do cash flow forecasting to protect them, build deeper personal relationship, etc. What are you doing to improve the lives of your clients?

What are the dangers of using AI?

One of the biggest dangers of implementing AI is that you simply drive for efficiency, lose touch with your clients, and become redundant. Leveraging AI to move up the value chain and have a greater impact on our clients' needs to be the primary reason we look to implement AI. If this is not our focus, then AI will likely be a detriment to our profession.

Another danger in the world of AI is improper implementation. Due to the autonomous nature of AI, improper implementation leads to massive corruption in your dataset that needs to be cleaned up before providing actionable intelligence. Even if AI is setup correctly, it needs to be monitored and adjusted as it is used.

Jacob Schroeder, Ascend Consulting LLC

What is the risk of not adopting a good AI strategy with strong client impact?

As firms we have to have a plan to implement AI so we do not get bogged down in the transactions and priced out of the marketplace. However, if we stop at implementing AI then we will still lose out in the long run. To truly future proof your firm you also need to have a very strong client impact focus. Pick AI that will empower you to quickly and efficiently provide answers to the problems your clients face. Take time to develop your relationship with them and help them improve their businesses. If we do not do this then our clients will be ripe to be taken over by an automated bookkeeping service or they will leave because someone else will have an impact on them. We must move beyond compliance and number crunching to having an impact on our clients' lives. One of the first questions asked is will AI replace accountants in the future.

How do you pick your AI platforms?

To determine what AI platforms, you are going to use you first need to decide what problem you want to solve. As we discussed before, there are several categories of AI and machine learning and the apps will be different for each. Once we determine our category, we evaluate what in that category can actually be automated and improved and what will still need to be manually done. Flowcharts are great to map out these steps.

Once we know the problem and steps we are trying to solve, we dive into apps.com and other sources to see what is available and start to review these to see what can solve the problems we believe can be automated.

In your review section I think it is very important to talk to the apps and determine what technology and security they are using to be able to do what they are claiming to do. There have been many companies claiming to use AI when really, they are just using humans to manually do everything on the back end.

Test your selected apps - depending on what you are automating this can either be done with live clients or it should be done in a sandbox. If you are automating data entry, I would strongly encourage you to use a sandbox to test that the data is coming over correctly.

Reference materials:

<https://emerj.com/ai-glossary-terms/what-is-artificial-intelligence-an-informed-definition/>

<https://emerj.com/ai-glossary-terms/what-is-machine-learning/>