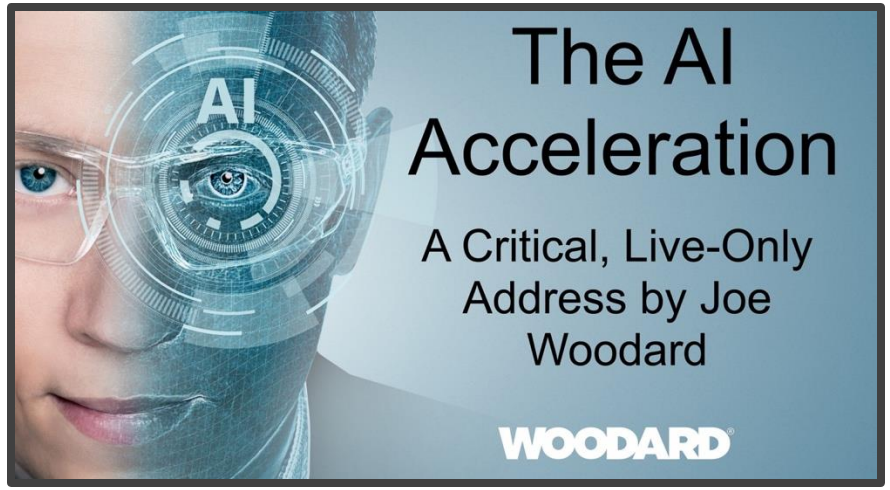
The AI Acceleration

A Critical, Live-Only Address by Joe Woodard

WOODARD®

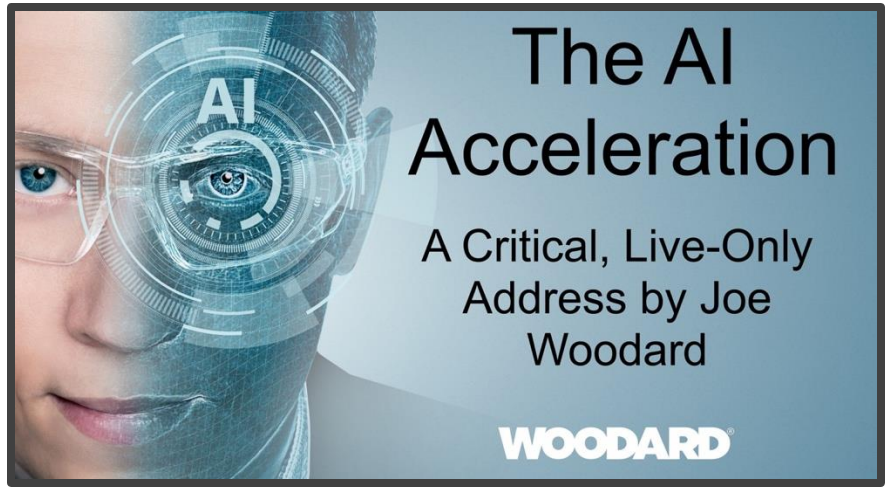
Learning Objectives

- The core types of AI technologies and their applications in accounting, tax preparation, and bookkeeping.
- How AI-powered solutions expedite financial analysis and transform accounting and bookkeeping workflows, including monthly closes.
- Actionable steps to embrace AI within your practice, safeguarding your role as a trusted advisor while leveraging AI-driven efficiencies.



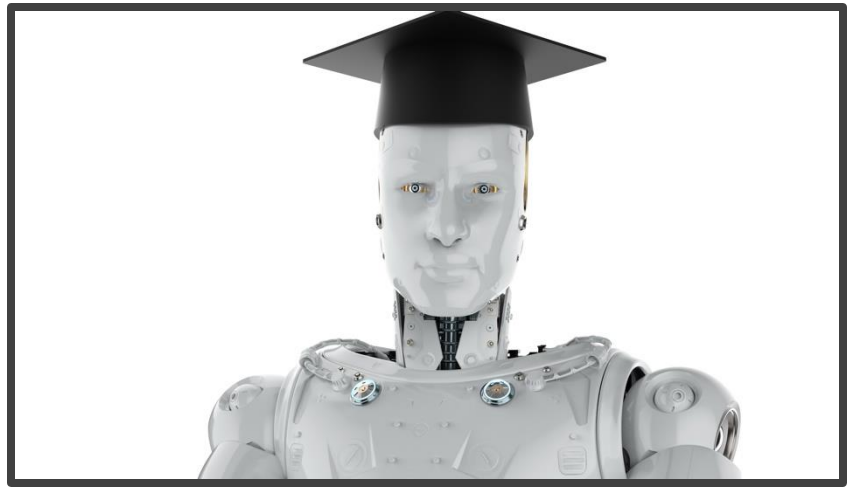
SECTION 1

The core types of AI technologies and their applications in accounting, tax preparation, and bookkeeping.



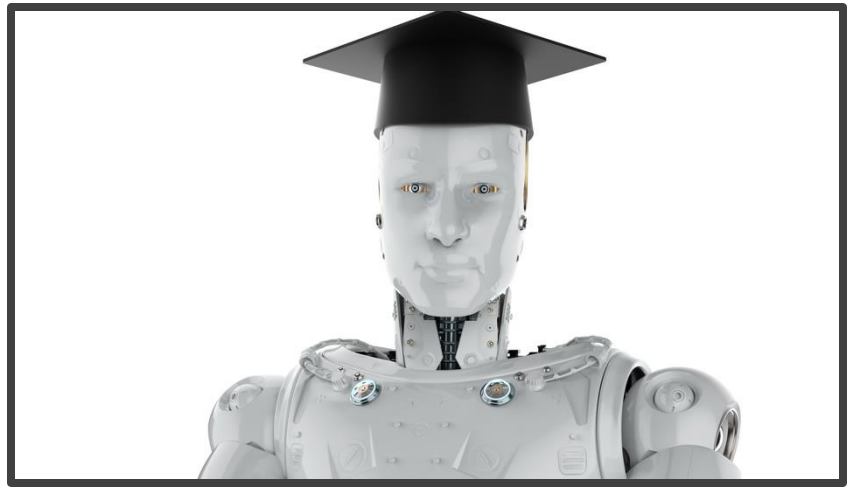
Machine Learning

- Machine Learning ≠ Artificial Intelligence
- Machine Learning is a Component of AI
- Improves performance on specific tasks using statistical techniques to find patterns in data sets and make predictions based on this data
- Progressively minimizes human interaction to perform tasks, calculate outcomes, and make decisions.



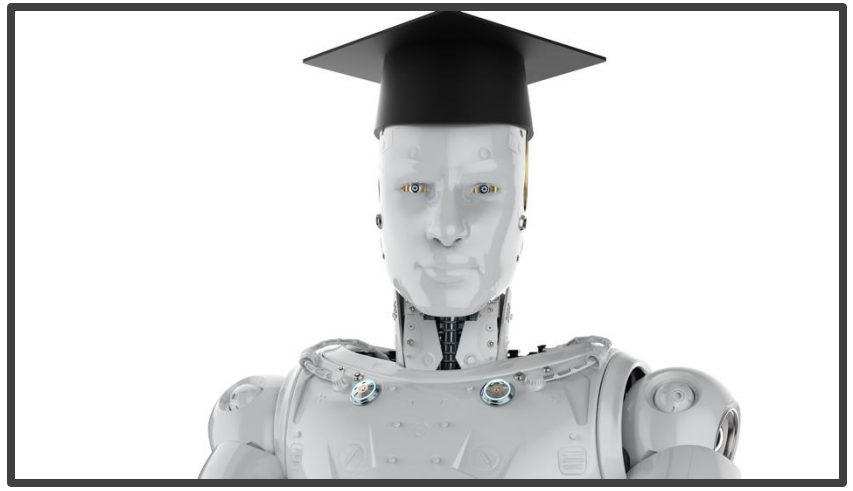
Examples of Machine Learning

- Spam filters (learning which emails are spam).
- Recommendation engines (Netflix suggesting content based on user behavior).
- Image recognition software (searching by person or object in Apple Photos).
- Business performance analytics (e.g., predicting cash flow or customer churn).



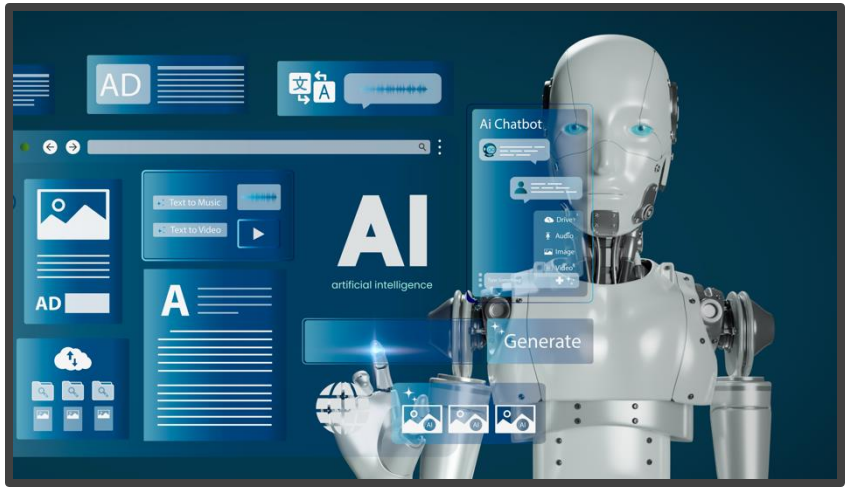
Key Takeaway about Machine Learning

The larger the data set, the "smarter" the machine.



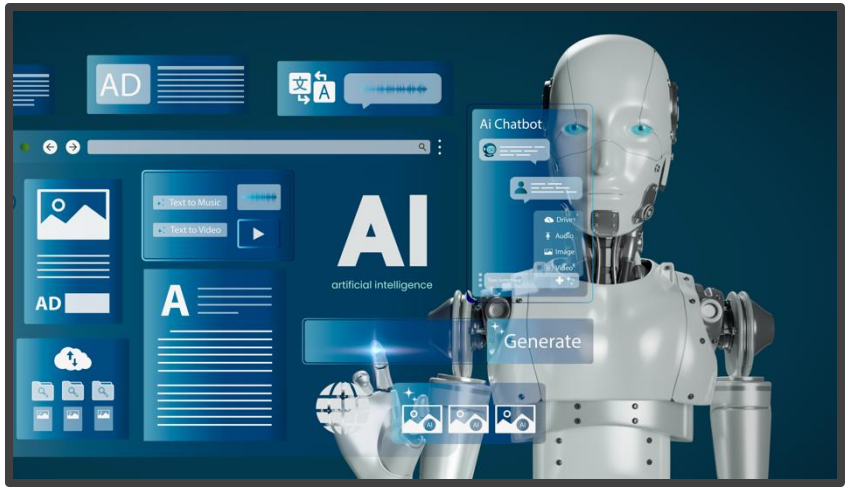
Artificial Intelligence

- Broader classification of computers or machines that may or may not include machine learning
- AI that uses machine learning is “smarter” other types of AI
- Narrow AI → Specific Tasks that mimic limited sets of human thought and action
- General AI → *Hypothetical* AI that Can Perform as Humans



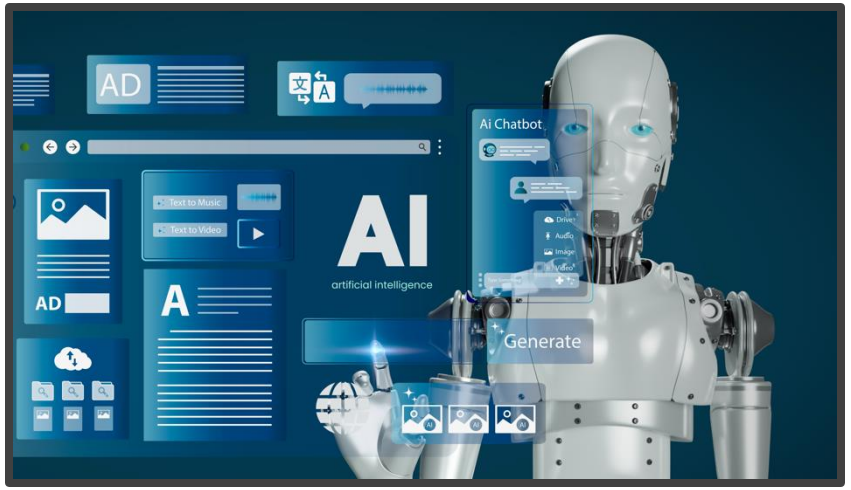
Examples of Artificial Intelligence

- Self-driving cars (AI combines ML, computer vision, and decision-making).
- Personal assistants like Siri or Alexa.
- Expert systems that diagnose diseases.
- Robots capable of performing complex tasks *autonomously*.

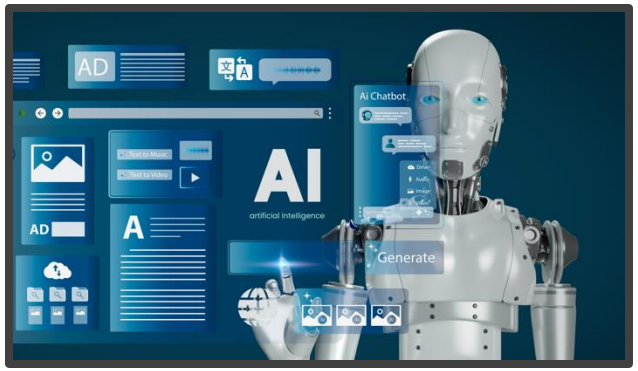


Key Takeaway about Artificial Intelligence

AI can perform specific tasks for which it is specifically programmed.



Key Takeaway from Section 1



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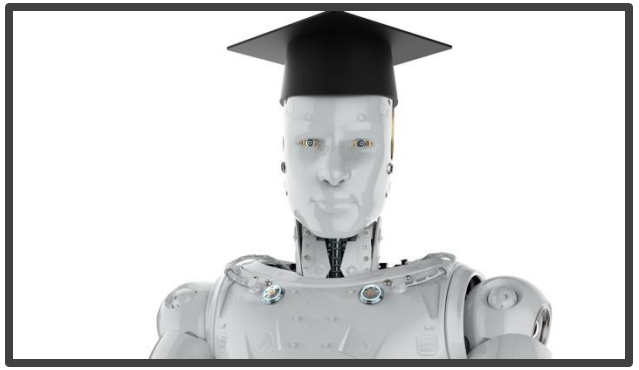


The larger the data set, the “smarter” the machine.

Data is critical to maximizing the impact of AI.

An Old Saying Adapted for Our New World

"They who have the gold
make the rules."

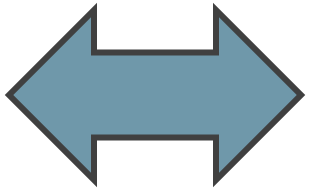
"They who have the data
make the gold."

An Old Saying Adapted for Our New World

They who have the **data** make the rules.

A Proposed Premise for the Next Section…

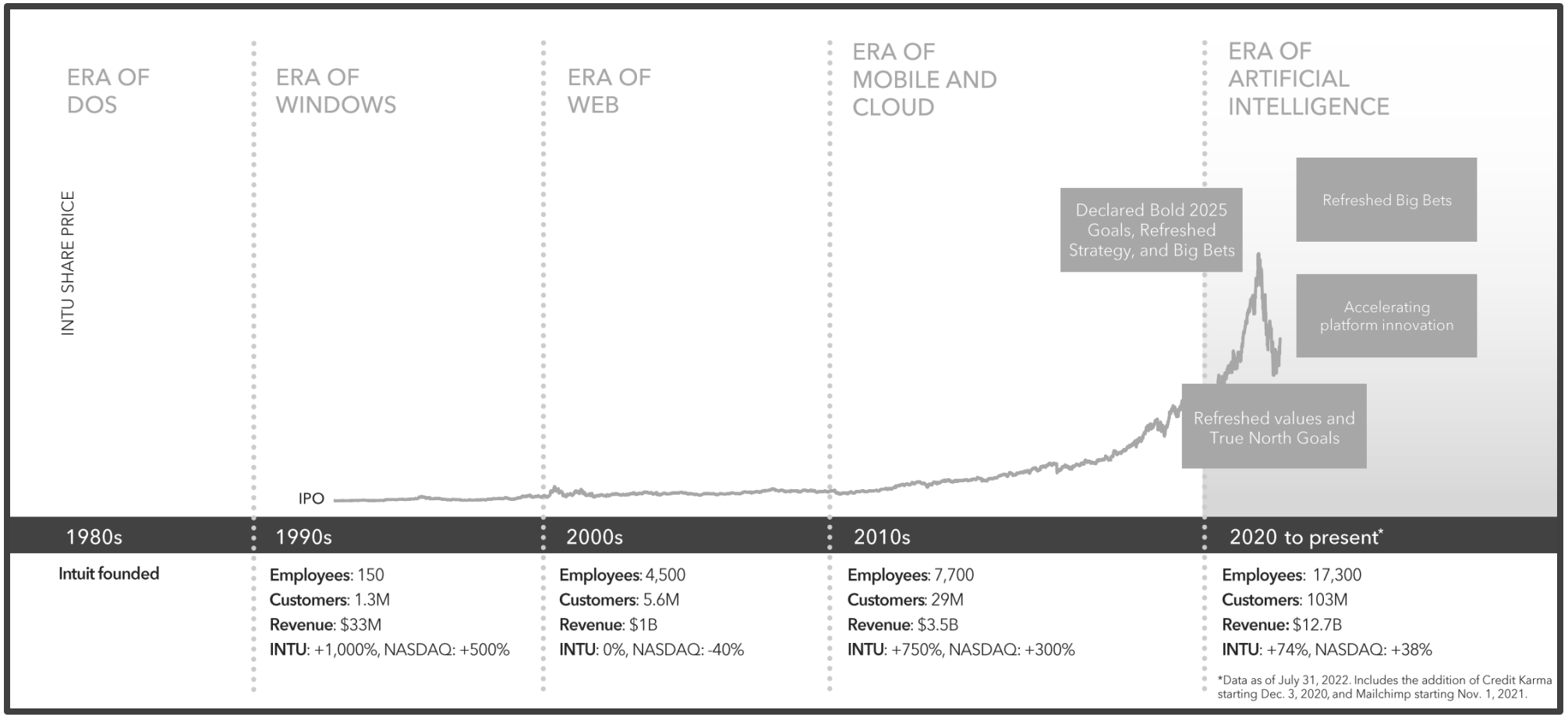
The Future of Accountancy



The Future of Intuit

Intuit's direction both reflects the AI-driven direction of accountancy and is contributing significantly to the AI-driven direction of accountancy.

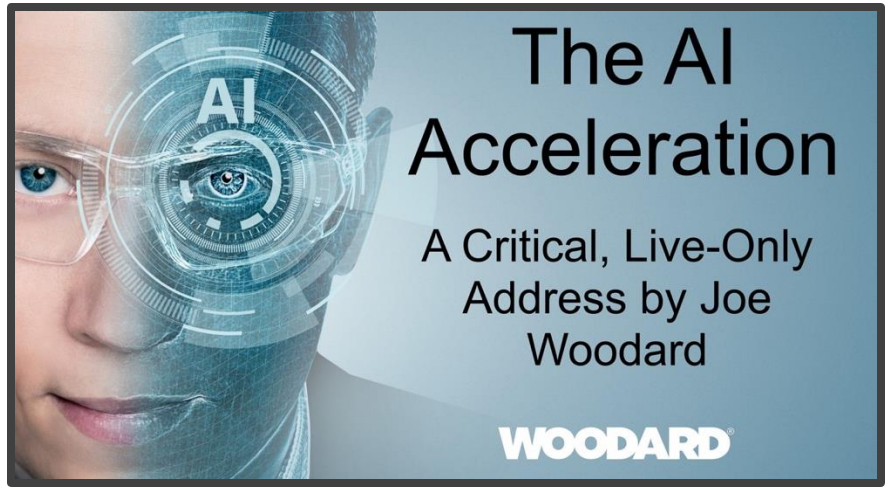
The Future of Intuit ← → The Future of the Accountancy



Source: Intuit Annual Shareholder Report – January 2023

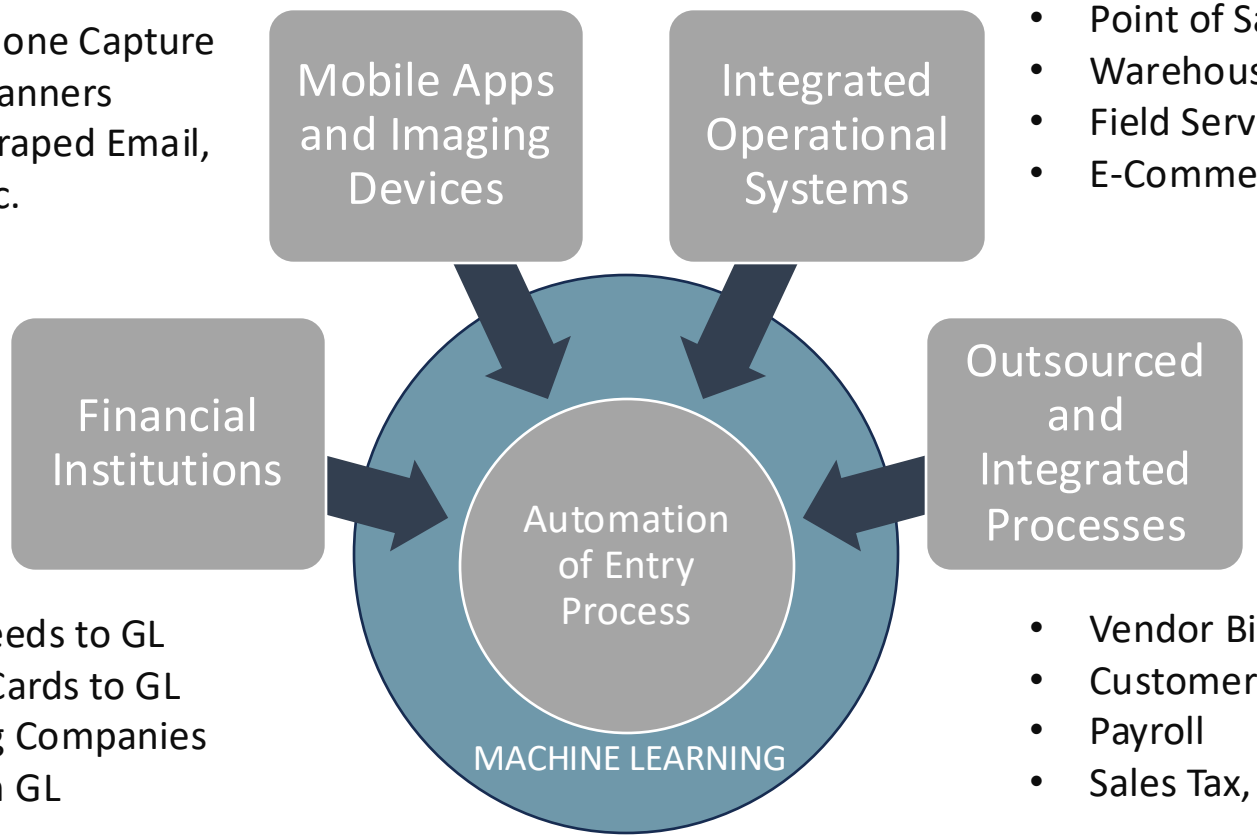
SECTION 2

How AI-powered solutions expedite financial analysis and transform accounting and bookkeeping workflows, including monthly closes.



How AI Works in Accounting Solutions

- Phone Capture
- Scanners
- Scraped Email, etc.



- Point of Sale
- Warehouse
- Field Services
- E-Commerce, Etc.

- Bank Feeds to GL
- Credit Cards to GL
- Lending Companies to/from GL

- Vendor Bills
- Customer Invoices
- Payroll
- Sales Tax, Etc.

Notable Challenges with Back Office Automation

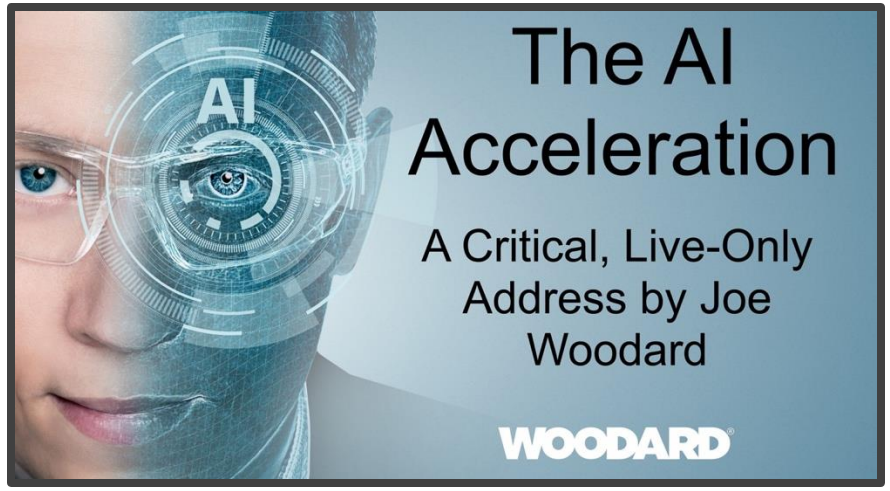
- Line-Item Details on Parsed Documents (Note: This Gap is Closing Fast)
- Paper Checks
  - Depositing (e.g., Teller, ATM or Mobile)
  - Data Entry Automation/Payment Application
- Localized Regulatory Compliance (e.g., Business licenses)
- Banking and Financial Documents ← Tightening of Access to Data

Notable Challenges with Back Office Automation

- Complex Accounting Functions
  - Accrual of Payroll Expenses and Costs
  - Job Costs (Including Payroll)
  - Adjustments for Revenue and and Cost Recognition
  - Complex Departmentalization Entry (e.g., with Allocations)
- Month End Close Processes

SECTION 3

Actionable steps to embrace AI within your practice, safeguarding your role as a trusted advisor while leveraging AI-driven efficiencies.



Steps to Embrace AI – Leverage AI

- Build a modern technology stack, prioritizing solutions with a strong investment in AI. Prioritize:
  - Accounts Payable Solutions
  - E-commerce and Merchant Connectors
  - Document Handling (e.g. Truewind)
  - Document Parsing Solutions
  - Month End Close Solutions (e.g. Truewind)
  - Financial Analytics
- Engage with Generative AI Directly (e.g. ChatGPT (Using Private Accounts and/or Interfaces that Tokenize Sensitive Data)

Popular Quote in the Social Media Realm

"Artificial Intelligence won't replace accountants. It will replace accountants who don't use artificial intelligence."

- Source Unknown

Joe's Version

"Artificial Intelligence will eventually replace **most** of accountancy. Services that are enabled by AI will survive longer. **Services that cannot (or ought not) be performed by AI will survive indefinitely.**"

- Joe Woodard

Displacement of Accountancy by AI

Audit

No Displacement

Income Tax Representation

No Displacement

FP&A Services

<10 Years

Income Tax Analysis

<10 Years

Income Tax Preparation

<10 Years

Complex Accounting (Bookkeeping)

10+ Years

Controllership Services and BPO

20+ Years

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