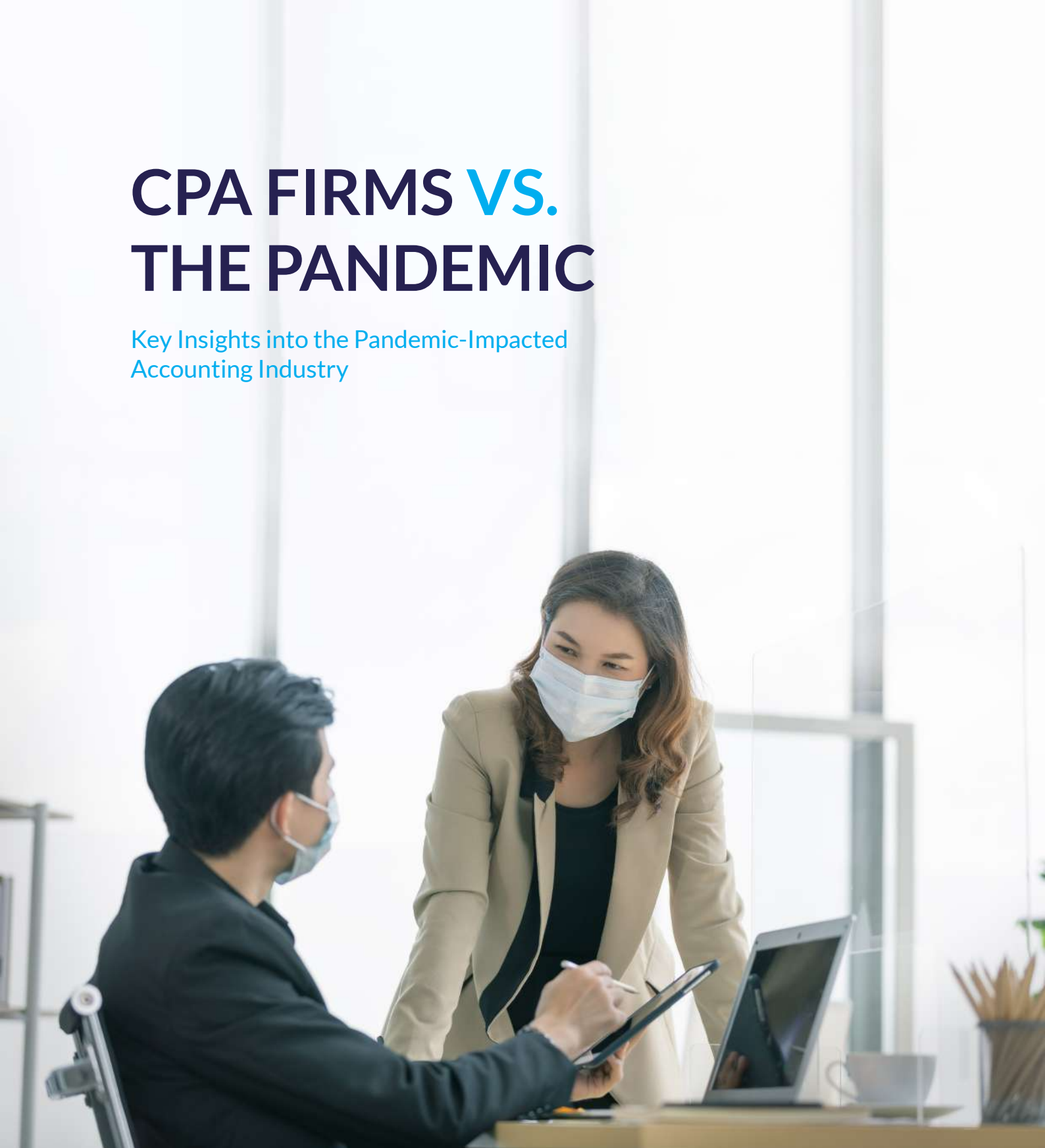


CPA FIRMS **VS.** THE PANDEMIC

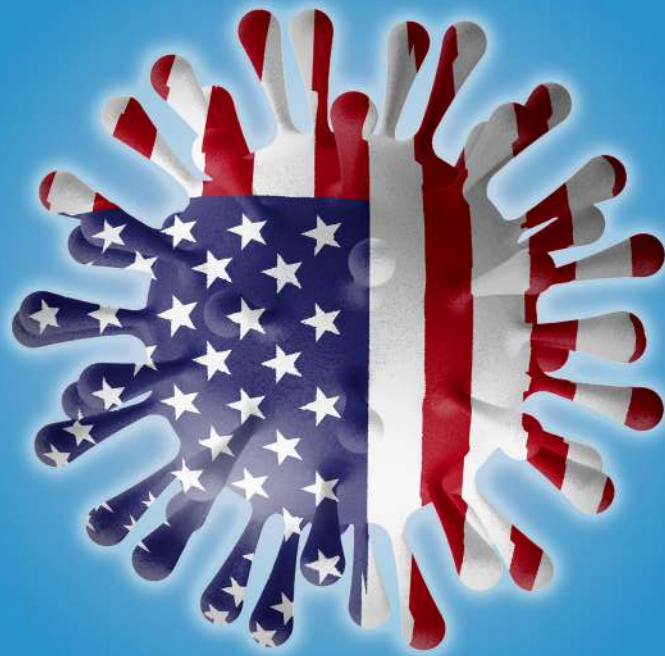
Key Insights into the Pandemic-Impacted
Accounting Industry



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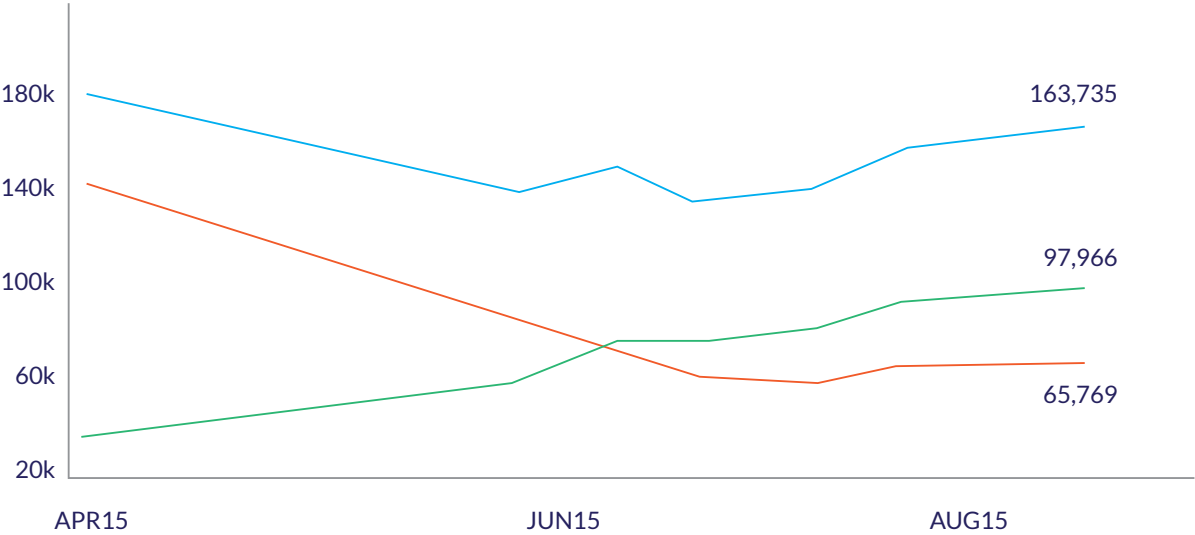


**The Economy is in a Tailspin.
It's The Survival of the Fittest and the
Bravest Out There**



ACCORDING TO YELP, 60% OF BUSINESSES CLOSED DOWN BECAUSE OF THE PANDEMIC.

BUSINESS CLOSURES ON YELP SINCE MARCH 1



Source:
<https://cnb.cx/34DnbIB>

BUSINESS TYPES IMPACTED BY PANDEMIC


CLOSURES PER 1,000 ON YELP



1.6
lawyers



28.1
Food Trucks




2.9
Accountants



31.3
Men's Clothing




9.1
Auto Repair



9.1
Gift shops



9.5
Landscaping



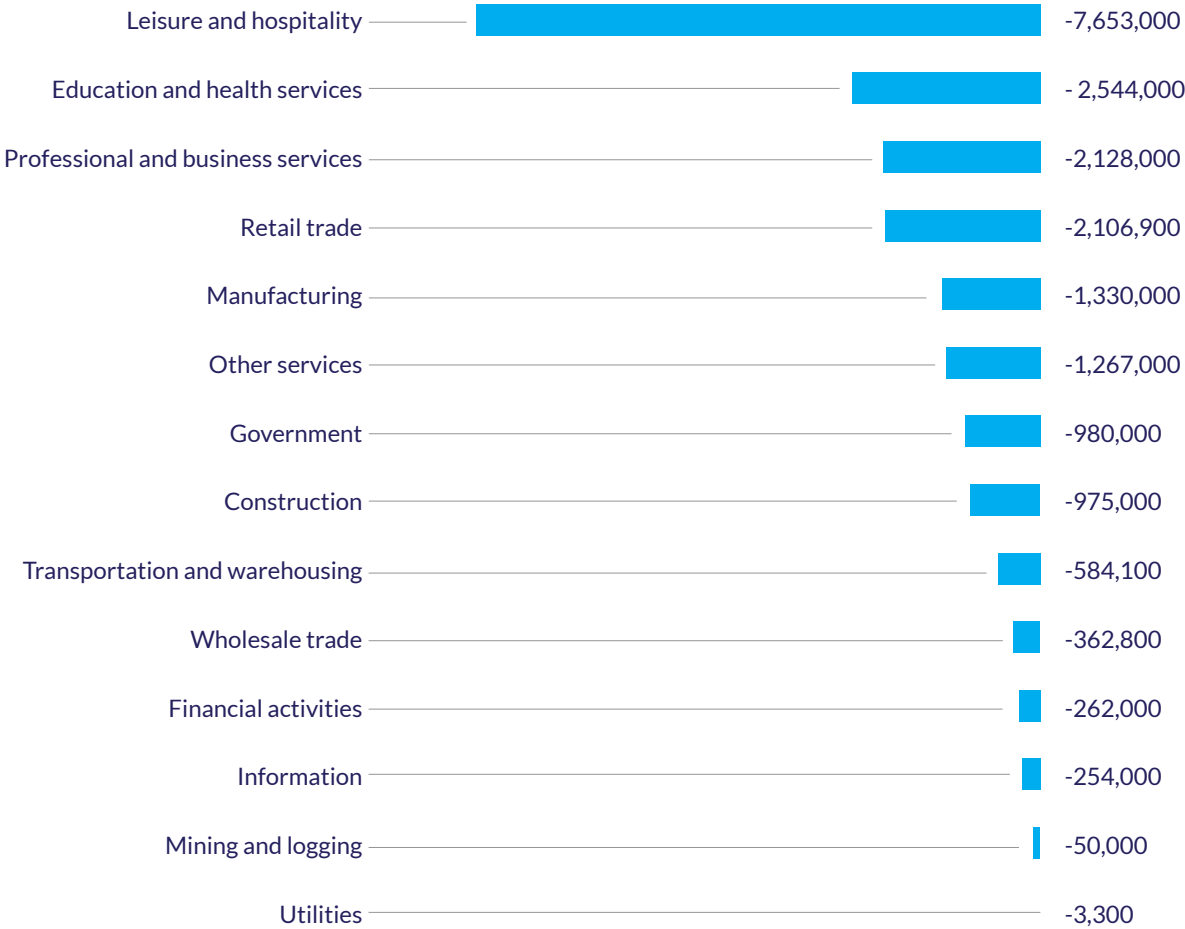
9.5
Breakfast & Brunch

Source:
<https://cnb.cx/34DnbIB>

ACCORDING TO THE BUREAU OF LABOR STATISTICS, THE FOLLOWING INDUSTRIES WERE HIT THE HARDEST BECAUSE OF COVID-19:

INDUSTRIES HIT THE HARDEST

The leisure and the hospitality industry saw the largest one-month net decline in payrolls amid the coronavirus outbreak. (one-month net change in non-farm payrolls)



Source:

<https://cnb.cx/3h8CrCc> <https://cnb.cx/3h8CrCc>



By April 2020, there were 262,000 job losses across the 'Financial Activities' industry.

The accounting industry has taken a big hit in the pandemic. To say that it has struggled would be an understatement, and rather than wondering when things will change for the better, it is time to accept the 'reset' and look ahead.

At QXAS, we believe that the accounting industry must ready itself for the long haul when it comes to facing COVID-19-centric challenges. It is imperative that they build resilience to combat current challenges and those of the future.

This is the New Normal that we are living in, wherein the pandemic is leaving a continuous adverse impact on business functioning. CPAs, EAs, tax and accounting professionals and CPA firms are facing the brunt of COVID-19 related challenges. Loss of productivity, decreasing process efficiencies and inability to manage remote teams are just some of the many challenges faced by the finance and accounting industry in general.

The present economic scenario is worrisome and we are staring at a difficult future., but firms must strengthen themselves. To that end, we presented a webinar, hosted by Encoursa on "**Making Your CPA Firm More Resilient in the New Normal – 5 Strategic Steps Towards Success**". The objective of the webinar was to inspire CPAs, tax, and accounting professionals with ideas to develop resilience. This resilience can help them address current challenges with aplomb, as well as, tackle future challenges with ease.

Resilience not only ensures survival, but also prosperity.



Presenter

Harsh Shukla

AVP US Operations, QXAS

[Connect on LinkedIn →](#)



Host

Liz Briggson

CPA, CVA (Co-Owner Encoursa)

[Connect on LinkedIn →](#)

This webinar was well-attended by accounting industry stakeholders, and through the course of the webinar, we conducted a poll based on a series of questions to gain insights into their key problem areas and other aspects of their business.

KEY FINDINGS

HOW HAS YOUR TEAM BEEN MOST IMPACTED BY THE 2020 PANDEMIC?

- › **50%** of attendees said 'Adapting to managing remote work' is the bully in the room. They were finding it difficult to adjust to the 'remote work' model wherein collaboration problems abound and employees might be finding it difficult to balance their personal and professional lives.
- › **23%** of attendees were having difficulties with economic uncertainties, which means their future roadmap was a little fuzzy, which is never good news for any business.
- › The changing regulatory environment is also a bit of a worry for **8%** of the attendees as they need to keep track of all the rules/regulations/policies that are being rolled out by the US Government to tackle COVID-19 related economic woes.
- › **6%** of attendees are worried about client assistance as they've had to rework their communication processes and they are overwhelmed with evolving regulatory environment and other pandemic-related challenges.



50%

DIFFICULTY IN ADAPTING TO
REMOTE WORK

23%

MANAGING UNCERTAINTY AS
TO THE FUTURE ECONOMIC
OUTLOOK

8%

KEEPING UP WITH THE
CHANGING REGULATORY
ENVIRONMENT

6%

PROVIDING MORE ASSISTANCE
TO CLIENTS

WHICH OF THE FOLLOWING MIGHT BE CONSIDERED OPPORTUNITIES IN A SWOT ANALYSIS

- > A mammoth **72%** of attendees believe that a mix of increasing demand of tax & accounting expertise, tax season complexities resulting in more work and new regulations resulting in new growth avenues are the opportunities that can be exploited as things stand currently
- > **4%** of attendees said the chronic talent shortage in the tax and accounting industry means more work for them.



Interestingly, the opportunities underlined by attendees give a sense that they are looking at the future a lot more positively. This attitude is driven by the fact that the pandemic has resulted in a slew of accounting complexities that will increase the demand for accounting expertise.

Harsh Shukla
AVP US Operations, QXAS

4%

A. HIGH DEMAND FOR TAX AND ACCOUNTING EXPERTISE

2%

B. MORE WORK EXPECTED TO COME FROM NEW TAX COMPLEXITIES

11%

C. NEW OPPORTUNITIES FOR GROWTH IN RESPONSE TO NEW REGULATIONS

4%

TALENT SHORTAGE

72%

A,B & C

WHICH ELEMENT OF RESILIENCE IS MOST IMPORTANT TO YOU?

- › **40%** of attendees believe quickly adapting to change is a critical piece in the resilience puzzle. In these difficult times, change is a real constant and firms must be flexible enough to adapt to the New Normal.
- › There is always a worry that all the challenges faced by CPA firms will result in them losing their growth focus. **26%** of attendees believe a resilient firm never loses sight of the big picture when it comes to profitability and revenue generation.
- › **14%** of attendees picked 'long-term view' as one of the key strengths of a resilient firm, which makes a great deal of sense because any given challenge shouldn't dissuade firms from the larger goal. It's important to think 3-4 years down the line, rather than 3-4 months. Resilient firms, ask themselves, "where do we see ourselves after 4 years?". They then proceed to divide this time frame into bite-sized chunks of a few months wherein they achieve results that essentially take them to the finishing line.



40%

**ADAPTING QUICKLY
TO CHANGE**

26%

**KEEPING THE BIG PICTURE
IN FOCUS IN THE MIDST OF
DEMAND**

14%

**ADOPTING A LONG TERM VIEW
RATHER THAN THINKING
SHORT-TERM**

7%

**PROACTIVELY STAYING
ONE STEP AHEAD OF THE
COMPETITION**

HOW CAN QXAS HELP CPA, EAs AND CPA FIRMS NAVIGATE ALL CHALLENGES, LEVERAGE OPPORTUNITIES AND EMPOWER WITH MORE RESILIENCE?

QXAS was conceived to fulfill one simple mission –to help accounting firms focus on their core competencies, and to make their practices more profitable. Since QXAS US' inception in 2013, we have been providing accounting, tax returns, bookkeeping, and payroll services to a growing number of CPAs, EAs and accountants across the USA. We are proud of our steadfast infrastructure, top-notch software and well-trained staff members.

We operate at the top of our game; the global, standard-setting organization IAOP recognized our parent company QX Limited as one of the top 100 firms in the 2013, 2014, 2016 and 2017. This feat is a testament to the fact we are working to our fullest potential to help businesses innovate, grow and to enhance their customer experiences.



About QXAS

QXAS provides accounting, tax returns, bookkeeping, and payroll services to a growing number of CPAs, EAs and accountants across the USA. QXAS is a SOC2 compliant company and adheres to the most demanding security protocols.

If you would like to learn more about QX Accounting Services, visit: <https://www.qxas.us.com/>.

About Encoursa

Encoursa is an industry-leading provider of continuing education offering live webinars and a robust library of premium on-demand (self-study) training. Encoursa also partners with innovative providers of industry solutions to offer sponsored webinars.

If you would like to learn more about Encoursa, visit: <https://encoursa.com/>

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