Practice Protect

MORE TRUST. LESS RISK.

2022 Accounting Cloud Apps Report

The authority on the Australian Accounting industry's most used applications

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INTRODUCTION

The Australian accounting and bookkeeping profession has had more than a decade to embrace online software, whether for internal use or with clients. Now that the method of delivery is resolved, firms can focus on finding applications that will lift productivity and bolster margins.

Several categories are experiencing more innovation than others. Practice apps in particular have a lot to offer; it is one of the broadest categories with several players enjoying strong growth. Practice management is also active as firms look for more scalable or better supported platforms to manage their growing practices.

The purpose of this report is to provide a definitive answer to the most popular apps among Australian accounting and bookkeeping firms. You can use this report as a shortlist of battle-tested software that you can trial to improve a particular process in your firm.

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ABOUT THE REPORT

About the Author

Sholto Macpherson is an award-winning technology journalist and publisher of the globally recognised accounting tech blog DigitalFirst.com.

Sholto has reported on business IT since 2000 for various industry magazines and broadsheet newspapers including The Australian and The Sydney Morning Herald, and is the former editor of CRN Australia magazine, an industry magazine on technology distribution.

Sholto is a regular contributor to Acuity (CAANZ) and Company Director (AICD) magazines on business technology.

Sholto is also a long-standing judge of the Connected Enterprise awards held by Silicon Valley analyst firm, Constellation Research.

About Practice Protect

Practice Protect is the world's #1 cyber security platform for accountants and bookkeepers.

More accounting firms will be breached this year than at any other time in history. They will lose clients, revenue, and reputation. As hackers improve the sophistication of their attacks and scams, it's important that accountants review and improve their cyber security.

An effective cyber security strategy must be comprehensive in nature, spanning from technology and application access to compliance and people. With advanced protection that's built for the modern accounting firm, Practice protect is a superior all-in-one platform to control access to client data, manage risk, and stay compliant.

The result: More control over your business, and greater peace of mind for you and your clients who put their most sensitive data in your hands.

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DATA & METHODOLOGY

1300 total firms in this study

11 team members per firm on average

The source data for this report is the aggregated and anonymised data from 1,300 Australian accounting and bookkeeping firms on the Practice Protect platform.

How the data was collected
The data was collected in mid–2022 from the login links for online applications listed on each firm's Practice Protect dashboard.

Accountants and bookkeepers log into their dashboards each morning and then launch the online applications directly using these links. This gives the report a very high degree of accuracy in determining which online applications a firm actually uses.

In some cases a firm may use more than one app within the same category. For example, a firm could use Spotlight Reporting for presenting regular reports to clients, and Microsoft Power BI for more technical analysis.

Average profile and sample size
Practice Protect services a wide range of firms, with the smallest firm in this report being 1 user and the largest 195 users. The average size of a firm in this report is 11 team members. These firms are typically heavy users of Xero, and often Xero Practice Manager. Firms using Xero are more likely to use cloud apps in the Xero Marketplace to automate their processes.

The sample size of 1,300 firms represents more than 9 percent of the Australian market of bookkeeping and accounting practices.

Annual comparisons
The sample size has increased significantly, from 1,061 firms in 2021 to 1,300 firms in 2022. This 28% growth rate improves the accuracy of market share measured between applications within a category. However, it comes at a cost of accuracy in determining growth rates from year to year. The original cohort of 1,061 firms will also have changed through factors such as amalgamations, closures and churn.

The annual comparisons in the report therefore should be used as indicators of trends in the market.

Exclusions
The report only tracks online applications launched through the Practice Protect dashboard. It does not track desktop software which users typically launch directly on their PC.
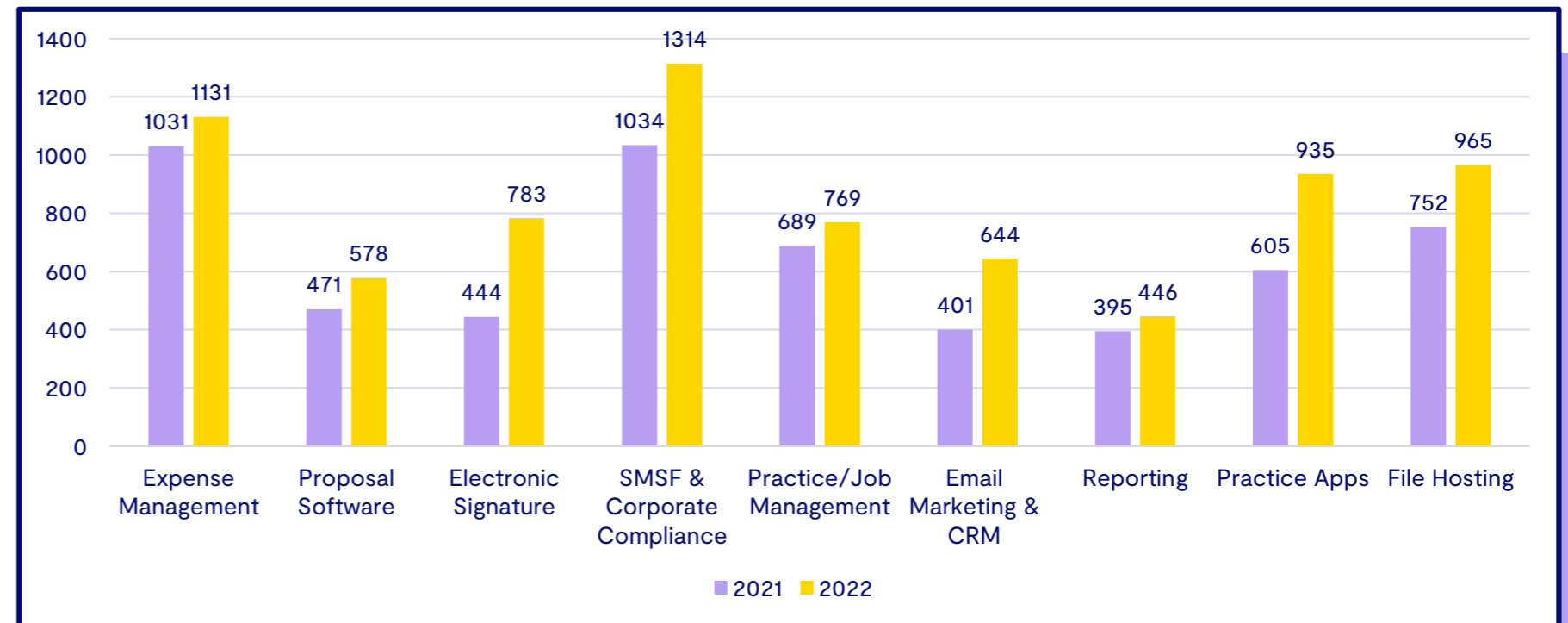
The report doesn't track accounting software as firms will typically have at least one client on Xero, MYOB, Reckon, Sage, QuickBooks, etc. Many firms will also have desktop versions of MYOB and QuickBooks and Reckon Accounts which, as noted above, aren't launched from the Practice Protect dashboard.

Some practice software isn't tracked by this report, including Xero Practice Manager and MYOB. Xero uses a single login for its products. This makes it impossible to know whether a firm is using Xero blue (for business accounts) or Xero Practice Manager. MYOB's practice management software is mainly desktop based and therefore can't be tracked.

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USAGE BY CATEGORY

55% increase in practice apps used by firms

76% increase in E-signature apps

Category	2021	2022
Expense Management	1031	1131
Proposal Software	471	578
Electronic Signature	444	783
SMSF & Corporate Compliance	1034	1314
Practice/Job Management	689	769
Email Marketing & CRM	401	644
Reporting	395	446
Practice Apps	605	935
File Hosting	752	965

The data from this graph is taken from Practice Protect's database. For more information, please see Data & Methodology on page 5.

FY2022 was a big year for technology investment. Several categories tracked in this report saw significant jumps in the number of firms using apps to improve productivity, internally or with clients.

Expense management continued its strong growth, overtaking file hosting as one of the most popular categories. It really shows the maturation of the technology and the general acceptance of dedicated apps as a better way to process client expenses.

Other hot areas include electronic signatures, up 76 percent, and the miscellaneous category Practice Apps, up 55 percent. Covid forced many financial institutions and government agencies to swallow any remaining reservations about electronic signatures, and accountants have responded accordingly.

The growth in Practice Apps shows the enthusiasm for any software that can improve productivity of your accounting team. Given how hard it is to find new employees, it makes a lot of sense to squeeze more out of your existing staff. It's also worth noting the categories that have less interest than

expected. Firms are gradually moving to proposal software but this is still a minority. Ignition (formerly Practice Ignition) is almost single handedly creating this category. Presumably many smaller firms are still emailing proposals as PDF or Word documents.

Email marketing is another category struggling to break the halfway mark. It is unlikely that firms are sending out email newsletters via Outlook instead. This low figure points to the lack of interest in marketing or regular communications with the general client base.

Reporting is another underserved segment. Despite decades of talk about business advisory services, many firms have their hands full with basic tax compliance and bookkeeping services. It also suggests that the reporting functions in small business accounting software are enough for the majority of their clients.

FY2023 will give us our first look at three-year trends, an excellent barometer for technology adoption among Australian firms.
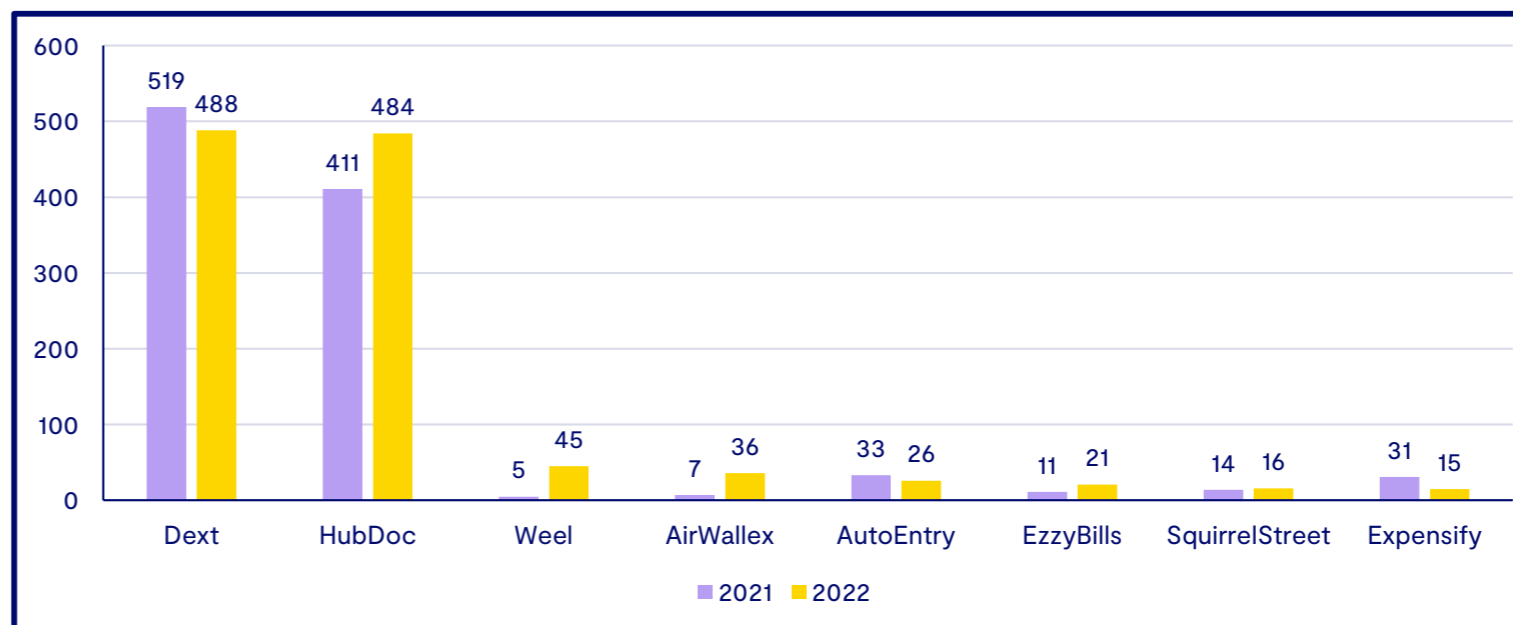
06

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EXPENSE MANAGEMENT

18% growth for Hubdoc

2 apps to watch: Weel and Airwallex had high takeup in 2022

App	2021	2022
Dext	519	488
HubDoc	411	484
Weel	5	45
AirWallex	7	36
AutoEntry	33	26
EzzyBills	11	21
SquirrelStreet	14	16
Expensify	31	15

*The data from this graph is taken from Practice Protect's database. For more information, please see Data & Methodology on page 5.

Expense management is undergoing substantial change. Expensify, AutoEntry and Dext lost ground to the Xero-acquired HubDoc, which gained more firms than the three former apps lost all together. Clearly, Xero's strategy of giving away HubDoc for free is having a substantial impact.

HubDoc's growth is in spite of its rocky journey post-acquisition. The iOS app has a 1.5 star review rating with many angry comments from business owners who changed from Receipt Bank (now Dext) to HubDoc at the request of their accountant. There have also been complaints about slow response times in the browser app.

Xero says that the number of HubDoc's customers quadrupled in the past two years which required infrastructure upgrades for reliability, stability and security.

Features "around the corner" include credit note detection, a new mobile app, and improvements to user interface and performance.

The 6 percent loss in market share for Dext is surprising given that the company has expanded beyond expense management to broaden its relevance to firms. Dext's decision to increase its prices in 2021 may be responsible for some of the movement. (Due to the method of data collection, Dext Prepare, Commerce and Precision are represented in this report as an aggregated number.)

In the past 12 months, Dext Precision added a health score graph to see trends in clients' books over days, weeks and months. Dext also now supports MYOB's Connected Ledger plan; users can publish Cost items to Spend Money in MYOB.

EzzyBills has also had some growth, targeting SimPro and Triumph ERP users as well as MYOB, QuickBooks and Xero. It has added productivity improvements such as the ability to reprocess a supplier statement. When reconciling this statement, EzzyBills creates a dynamic file that can be updated with one click.

(NB: Xero also sells HubDoc as a standalone tool priced at USD$12/month.)

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EXPENSE MANAGEMENT

| APP	KEY PROPOSITIONS
Dext	Dext Prepare collects and categorises receipt data using automatic supplier and customer rules, bank matching, connections to more than 1,400 suppliers, and sales invoice uploads . Dext Commerce fetches, standardises and reconciles sales transaction data from Amazon, Shopify, PayPal and other platforms. Dext Precision creates a dashboard to show client's data inaccuracies in Xero and QuickBooks and correct them with automated quality checks .
Hubdoc	Automatically pull bills and statements into a secure hub, downloads new and historical bills from supplier websites. Extract key information from receipts, invoices, and bills. Use vendor rules to automate how receipts, bills and statements are coded.
Weel (formerly DiviPay)	Create virtual corporate cards that restrict spending to specific suppliers and set maximum limits. Set up multi-level approval flows and payment scheduling for paying bills. Monitor spending trends for recurring subscriptions and bill payments.
AirWallex	Open multi-currency accounts online to collect foreign currency payments from customers in their preferred currency. Create dedicated virtual card for each expense category or subscription to track, manage or freeze spend. Upload receipts for approval, reconcile your expenses in one place and gain real-time visibility over your corporate card spending.

APP	KEY PROPOSITIONS
AutoEntry	Capture, categorise and publish financial documents to accounting software. Create bank rules quickly with auto-suggest for supplier accounts and tax codes. Automatically fetch supplier and bank accounts from 6,000 companies globally.
EzzyBills	Extract all data including line items from bills, sale invoices and expense receipts. Create approval process with multiple levels of approvals and rules. Send data to accounting software, Oracle NetSuite and SimPro.
SquirrelStreet	Send paper receipts, invoices and other documents to scanning centre and download the data to accounting software. Scanned data digitised by OCR and manually verified for maximum accuracy. Data available in accounting software or as Excel or PDF report.
Expensify	Collect receipts, manage and reconcile company cards, send invoices, oversee bills, reimburse employees, sync to accounting software. Set up multi-level approval workflows and expense policy controls, custom reporting, and send data to HR and ERP software. Track mileage, send receipts to managers or accountants with mobile app.

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PROPOSAL SOFTWARE

44% of firms are using Proposal Software

28% growth for Ignition (formerly Practice Ignition)
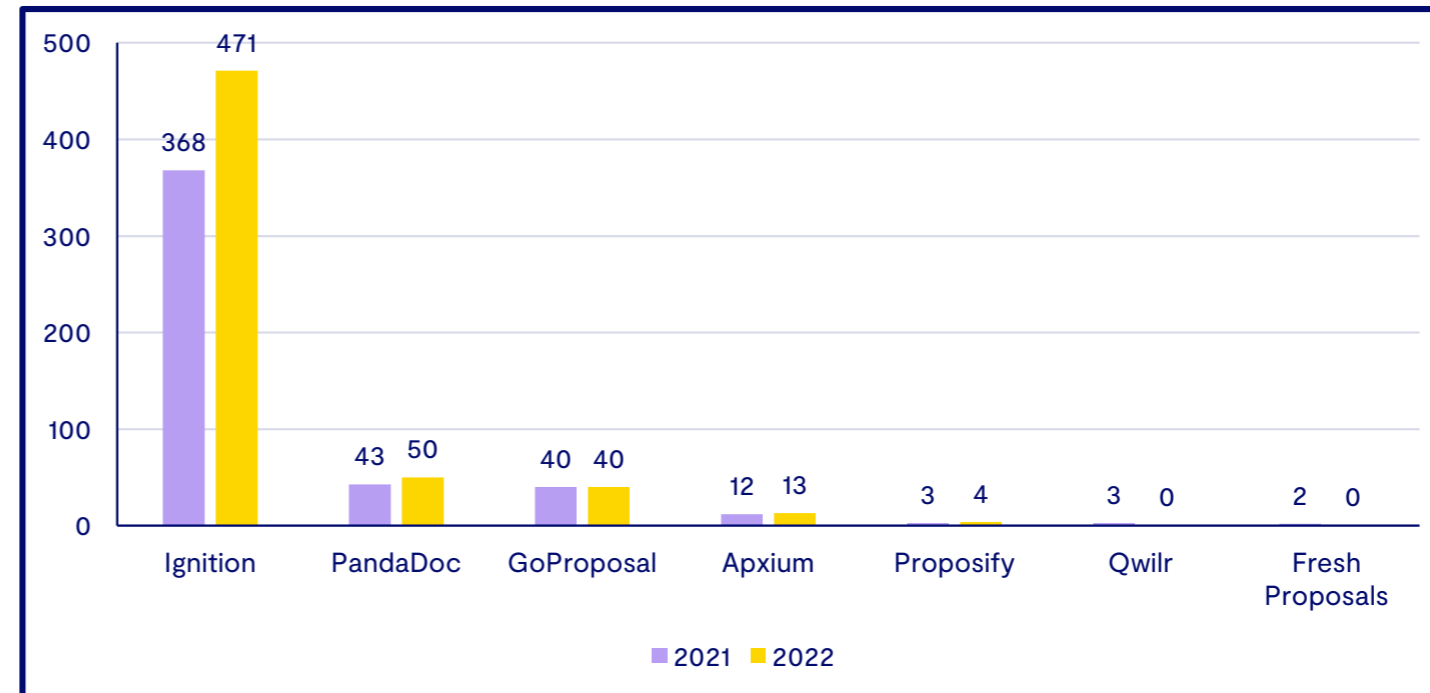
The data from this graph is taken from Practice Protect's database. For more information, please see Data & Methodology on page 5.

There's really only one game in town when it comes to proposal software. Ignition (formerly Practice Ignition) saw nearly 30 percent growth as it continues to crush the field. Its nearest rival PandaDoc added just 10 firms. The UK-based GoProposal, one of the few accounting-focused alternatives, actually lost clients in Australia.

PandaDoc has continued its impressive development run, adding features such as document bundling. Also offered by esigning apps such as FuseWorks, this feature groups multiple documents so you can send and track them within a single document transaction.

PandaDoc is also notable for its investment in its API platform for developers. This is a great option for companies in any industry that want to invest in building highly integrated, customised proposal workflows. With the PandaDoc API, you can generate documents from scratch or template and capture legally binding e-signatures from your website or mobile app.

Unfortunately for PandaDoc, Ignition has already built those highly integrated workflows with popular practice management systems such as Xero Practice Manager and Karbon. This is how it has achieved 80+ percent market share, which only looks like increasing.

Ignition released a new proposal editor in July last year that can create more custom workflows, set up the job category and budget, and nominate one workflow per client or proposal as the 'billing job' to manage your WIP in Xero Practice Manager.

Ignition also added a more detailed and accurate view of client payment disbursals, PDF invoice attachments and tracking active services by client.

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PROPOSAL SOFTWARE

APP	KEY PROPOSITIONS
Ignition	Create a library of services and pricing with upsell options, document design and e-signatures. Collect one-off or subscription payments that automatically update invoice status in Xero. Set up recurring billing and track revenue metrics on a dashboard.
PandaDoc	Create proposals from a template library with auto-fill client fields from CRM or other business software. Add internal or external reviewers with versioning, comments and approval flows. Collect electronic signatures on any device.
Go Proposal	Use a wizard tool and data signals such as invoice and transaction volume to calculate pricing. Generate fully compliant engagement letters updated by compliance experts. Create a map of connected apps for app advisory.
Apxium	Send online engagement letters to clients and collect credit card or bank details at point of signing. Collect payments via credit card, EFT, direct debit, and instalments with debt funding. Send automatic receipts for payment and email and SMS reminders to overdue clients.

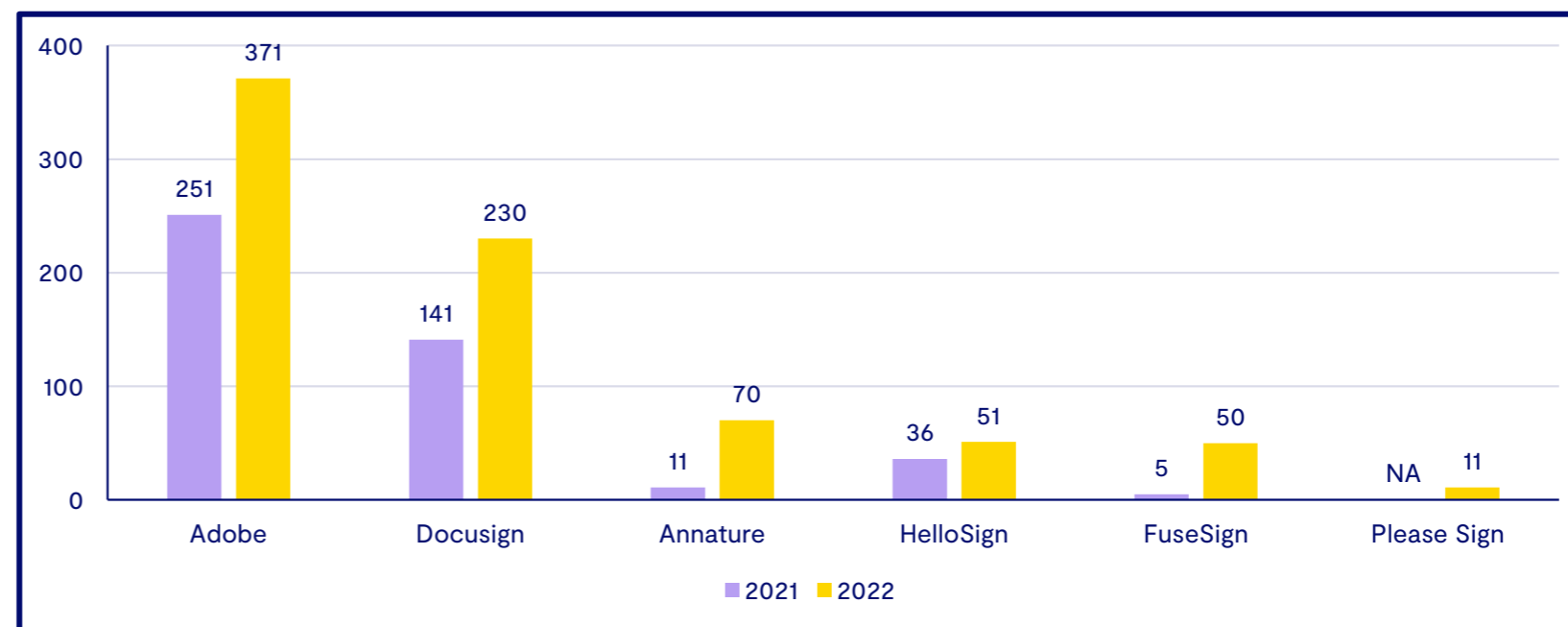| APP	KEY PROPOSITIONS
Proposify	Create a central library of pre-approved templates, images, fees, and content with corporate style guide. Add user roles and permissions with approval workflow. Sync contacts and use custom variables to pre-populate fields in proposals with e-signatures.
Qwilr	Use modular building blocks and basic editor to create proposals with e-signatures. Share proposals as mobile-responsive webpages with case study videos and calendars. Integrates with live chat tools to discuss proposals with clients.
Fresh Proposals	Use drag-and-drop editor to create proposals with e-signatures from template library. Monitor interaction level and status of each contact that has received a proposal at the client company. Track sales performance in terms of number of proposals sent, accepted, revenue as per accepted proposal against set revenue targets.

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ELECTRONIC SIGNATURE

48% boost from remote working to Adobe eSign

2 apps to watch: Annature and Fusesign had high takeup in 2022

400
371
300
251
230
200
141
100
70
11
36   51
5   50
NA   11
0
Adobe   Docusign   Annature   HelloSign   FuseSign   Please Sign

■ 2021   ■ 2022

The data from this graph is taken from Practice Protect's database. For more information, please see Data & Methodology on page 5.

The good news is that Australian firms are taking up electronic signatures en masse. At least 60% of firms are now using a dedicated e-signing app with clients. Add proposal software, which usually includes e-signatures, and it's likely that most firms are now using the technology in some capacity. E-signatures are required for all sorts of documents other than proposals, so it makes sense that firms are also signing up for dedicated apps.
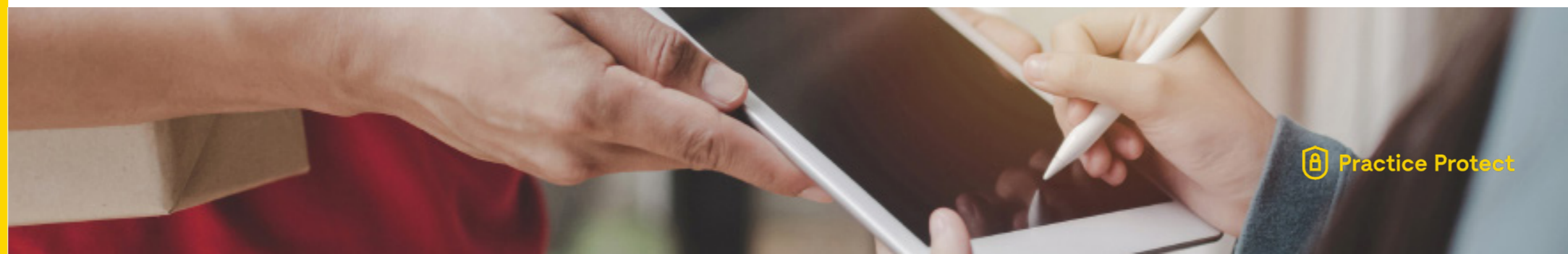
Adobe maintained its lead with Adobe Sign (formerly EchoSign) despite a strong showing from Docusign. The two apps focusing heavily on the accounting industry, Annature and FuseSign, added over 100 firms between them. It will be interesting to see whether next year's results show a slow down in growth for DocuSign and Adobe Sign, which would suggest firms churning to the two challengers.

FuseSign added ISO27001 certification, two-factor authentication for end-signers, and placeholder templates to reduce the time required to tag a document for signing. It has also invested in integrations; contacts sync with Xero Practice Manager, APS, GreatSoft and MYOB. It also works with BGL, FYI, Lightyear Docs, Acis, Change GPS, Seamless SMSF and Myprosperity.

Annature's headline news was an integration with Stripe's identity verification service, Stripe Identity and fraud detection platform FrankieOne. Annature's ID verification service performs Know Your Customer (KYC) and Anti-Money Laundering (AML) checks that are compliant with the Tax Practitioners Board and ATO's proof of identity requirements.

Annature has a deep integration with FYI and was also added to Myprosperity's wealth management portal.

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ELECTRONIC SIGNATURE
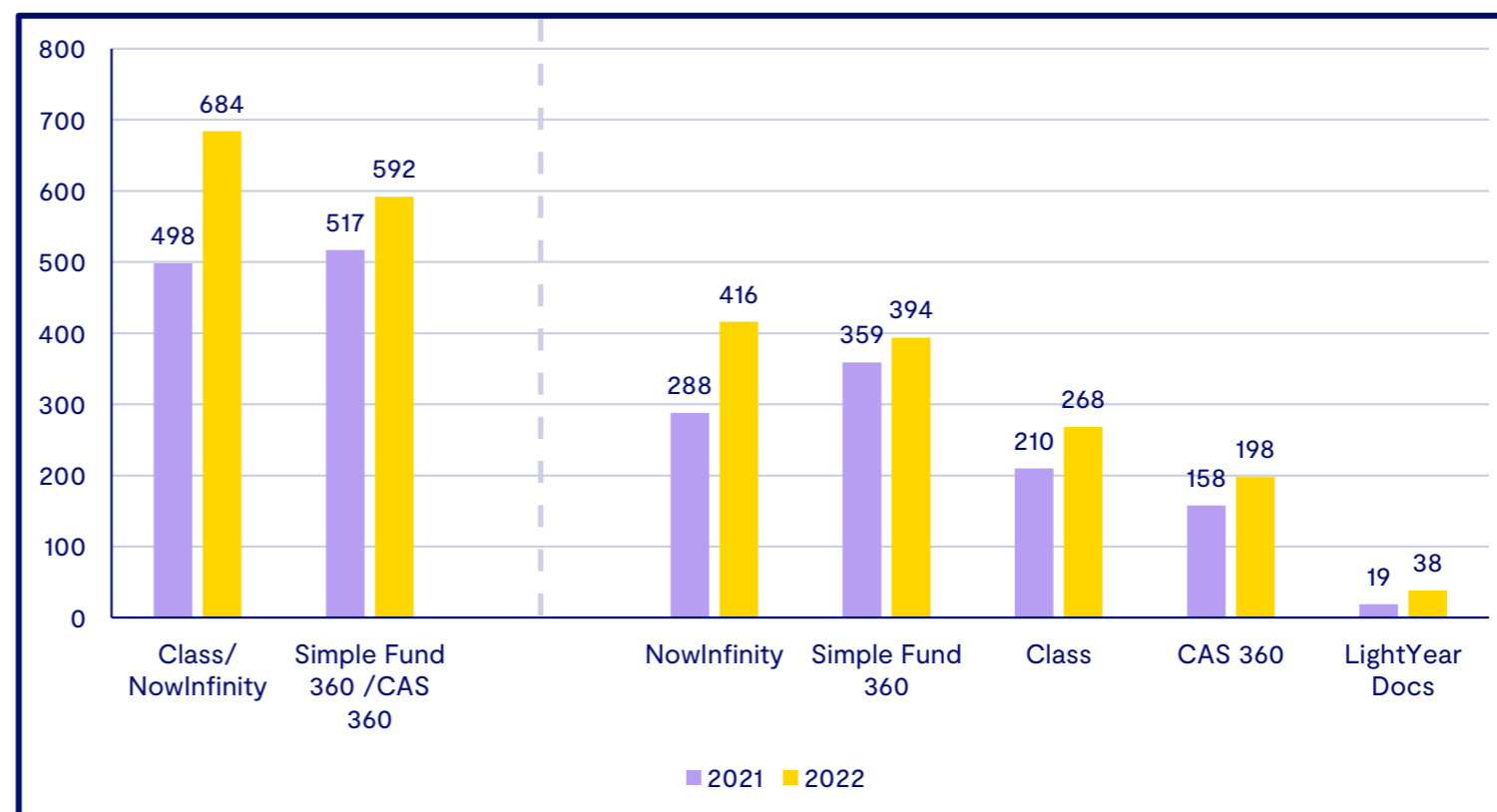
APP	KEY PROPOSITIONS
Adobe Sign	Launch automated signing processes for individual signers or thousands of recipients. Works with Adobe Acrobat DC and integrates with Microsoft 365, Teams, Workday, Salesforce. Request signer to verify identity using a password, phone PIN, government ID before accessing document.
Docusign	Deep analytics shows trends in signers' behaviour to minimise drop-offs. Send text messages to clients with document links for faster response. Integrates with DocuSign CLM for advanced document management workflows.
Annature	Per "envelope" pricing rather than per user per month is cheaper for low-volume businesses. Add custom branding to emails, text messages, and signing pages. Send documents via text messages for faster response and higher engagement. Offers an integrated ID verification service compliant with the ATO and the Tax Practitioners Board. Both ID verification and e-signature services are ISO 27001 certified.

APP	KEY PROPOSITIONS
HelloSign	Designed for high-volume template documents frequently sent to different recipients. Use drag-and-drop signature blocks, text fields, checkboxes, dates onto uploaded documents. Integrates with Salesforce, Oracle, Dropbox, Microsoft.
FuseSign	Control the signing order of a document bundle for multiple recipients, with individual viewing and signing permissions and required actions for large family groups. Adds 2FA verification to control access for end-signers, and other features designed for accounting industry. Integrates with practice software from Xero, MYOB and APS plus industry apps such as BGL, FYI, Lightyear Docs, Acis, Change GPS, Seamless SMSF, Myprosperity.
Please Sign	All documents, data, files and assets stored in an Australian-based data centre Phone support from an Australian call centre Offers white labelling option

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SMSF &
CORPORATE COMPLIANCE

44%
jump for NowInfinity, on a streak

25%
increase for BGL CAS 360

Chart data — 2021 and 2022:

	2021	2022
Class/NowInfinity	498	684
Simple Fund 360 /CAS 360	517	592
NowInfinity	288	416
Simple Fund 360	359	394
Class	210	268
CAS 360	158	198
LightYear Docs	19	38

The data from this graph is taken from Practice Protect's database. For more information, please see Data & Methodology on page 5.

The titanic struggle between Class and BGL continues— the two juggernauts that dominate this category.

We have included the combined figures for BGL and Class' products as well as individually. BGL is at a disadvantage as its desktop software isn't recorded in this report (see Data and Methodology section). However, its strongest growth would be in online sales, following trends reported by MYOB and other providers selling desktop and cloud applications.

The competition is closest between Class and BGL Simple Fund 360, where BGL enjoys a strong lead that has narrowed slightly. However, in corporate compliance, NowInfinity is on a streak.

FYI announced in March an integration with BGL CAS 360 and NowInfinity, definitely worth exploring for firms already using FYI for document management.

*ED: BGL responded to the report that the data doesn't reflect overall market share.*

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SMSF & CORPORATE COMPLIANCE

APP	KEY PROPOSITIONS
NowInfinity	Sync automated statements with ASIC and track debts across client companies to reduce late fees. Use legally approved document templates to set up companies, trusts, SMSF, and loan agreements. Create a cloud-based register for SMSFs & Trusts that automatically updates the entity profile as changes happen during its lifecycle.
Class Super	Streamline tax statement data for SMSF funds to reduce data entry and preparation time for lodgement. Process entities and corporate actions in bulk, automate income generation and store related documents. Over 200 direct-connect data feeds for banks, brokers and wraps — daily, securely at no additional cost. ASAE3402 certified, reducing audit complexity and lodgement time frames.

APP	KEY PROPOSITIONS
Simple Fund 360	Goes beyond data entry by growing your SMSF business with the AI-powered, innovative technology. Identify potential SMSF compliance breaches at a glance by filtering fund data across your entire Simple Fund 360 database in seconds. Prepare your funds for audit with the ability to store documents, record all evidence obtained during the preparation of financial statements, track statuses, and more.
CAS 360	Automate ASIC work with fast Annual Review processing that includes tracking alerts, downloads, database comparison review and delivery of the annual statement pack to clients. Automate the management of all document deadlines and company debt with daily Smart Alerts plus, send SMS and/or email reminders to clients for document deadlines and company debt balances with ASIC Complete Trust management with support for all trust positions, unit holders, beneficiaries and prepare distribution documents including minutes, statements and reports.
LightYear Docs	Comprehensive library of legal documents including estate planning, creation of trusts, entities, and companies, SMSF and HR. Buy single documents (most cost $99 each) or monthly subscription to access whole library. Integrates with BGL CAS 360.

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REPORTING SOFTWARE

34%
of firms using Reporting Software

11%
steady growth for Spotlight Reporting
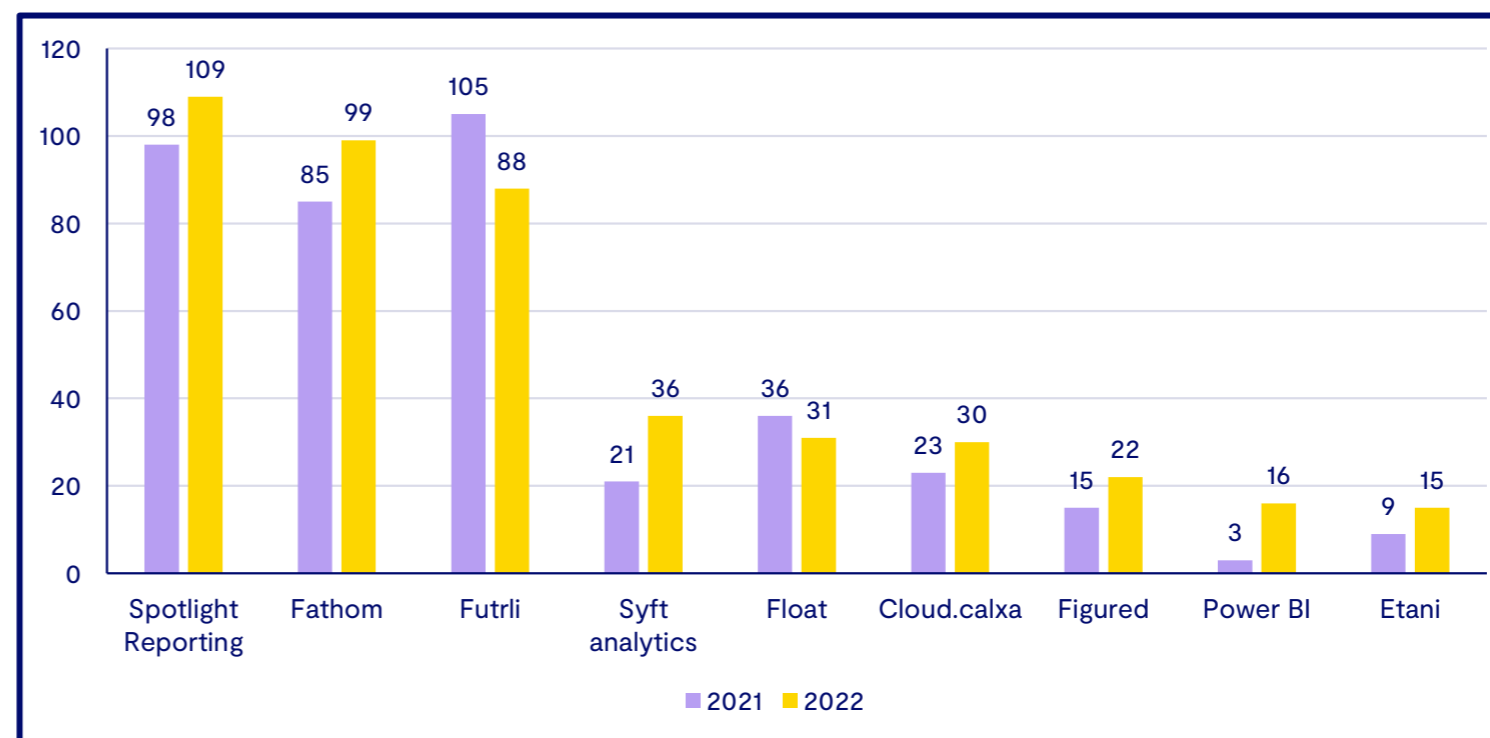
*The data from this graph is taken from Practice Protect's database. For more information, please see Data & Methodology on page 5.

The two Australasian solutions, Spotlight Reporting and Fathom, are building a strong lead with steady growth and few direct competitors. The greatest threat was the UK-based Futrli, which closed its Australian office in 2019. That local support appears to be crucial, as it is gradually losing its southern beachhead.

The farming-focused Figured showed reasonable growth, and indicates that industry-specialised reporting tools may be viable in some instances. Figured will likely appeal most to regional accounting firms that manage multiple firms, so it's unlikely to achieve high numbers in this report. It is also headquartered in New Zealand where it has a higher proportion of customers.

More firms are using Microsoft Power BI, a business intelligence tool that is far more powerful than the rest of the apps listed here. Unfortunately, that power comes with a lot of complexity; Etani, built on Power BI, is designed to make the experience simpler for accountants. The fact that 2% of firms

have added either Etani or Power BI suggests greater comfort with this powerful reporting technology.

Syft Analytics, an everyman reporting tool with a strong appeal among SMEs, also had a strong year.

Fathom spent the past year improving its forecasting features such as value audits and flexibility to aggregate forecast results in the 'Three-way Forecast' Excel report. It also introduced an integration with Google Sheets, which will be good news for the minority of accountants that don't prefer Excel, and fantastic news for the many clients who prefer Google Sheets.

Spotlight Reporting launched tracking category reporting (including tracked budgets) for Xero and Quickbooks data sources. It also added a desktop connector for QuickBooks Desktop, MYOB Desktop and Sage 50 Desktop, which remotely accesses desktop data and imports through a browser-based interface.

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REPORTING SOFTWARE

APP	KEY PROPOSITIONS
Spotlight Reporting	Spotlight Reporting is designed for businesses through to enterprise firms, and is used extensively by the Big Four globally. Create customised performance reports and 3-way cashflow forecasting, with consolidation across multi-currencies. Includes dynamic dashboards and advanced multi-entity consolidation with benchmarking for 500 entities/franchises.
Fathom	Combines performance reporting, three-way cash flow forecasting and actionable business insights in one tool. Create custom management reports, and consolidated financial statements with multi-currency consolidation. Conduct framework analysis for individual or groups of clients such as goal seeking, benchmarking and ranking.
Futrli	Futrli Predict gives small businesses a five-way forecast for sales, profit, cashflow, etc. Futrli Advisor creates dashboards and PDF reports for a CFO advisory service. Futrli Portfolio creates traffic light grades for clients assessed by predicted cash and business health risk.
Sfyt Analytics	Visualize customer, operational and financial data with interactive graphs and dashboards. Create branded custom reports using elements from modules such as budget, forecast, consolidate, benchmark and valuation. Schedule reports to automatically send to clients, investors, or team members.

APP	KEY PROPOSITIONS
Float	Create detailed cashflow forecasts and scenarios synced in real time with accounting software. Automatically imports invoices and bills to track against projections. Export forecast as PDF and CSV.
Calxa Cloud	Visualize customer, operational and financial data with interactive graphs and dashboards. Create branded custom reports using elements from modules such as budget, forecast, consolidate, benchmark and valuation. Schedule reports to automatically send to clients, investors, or team members.
Figured	Create plans for farms in succession planning, expansion, diversification or managing volatility in commodity prices. Monitor production quantities and volumes of milk solids, livestock and crops, and track all inputs associated with farm operations. Integrates with Xero and farming software from John Deere, Agworld, BCMS and ICBF.
Power BI	Create detailed visualisations with drill-down reports for financial and non-financial datasets of almost any size. Ask business questions in conversational language and receive AI-powered responses from your reports. Connect Excel queries, data models, and reports to Power BI Dashboards for analysis or sharing.
Etani	Create reports with turnkey integrations for accounting, payroll and inventory software. Use budget, forecast, scenario, customer templates and data models for integrations. Upskill staff with accountant-focused training videos.

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PRACTICE / JOB MANAGEMENT

18% gain for Karbon, a strong showing for FY 2022

6% growth for Wolters Kluwer CCH iFirm
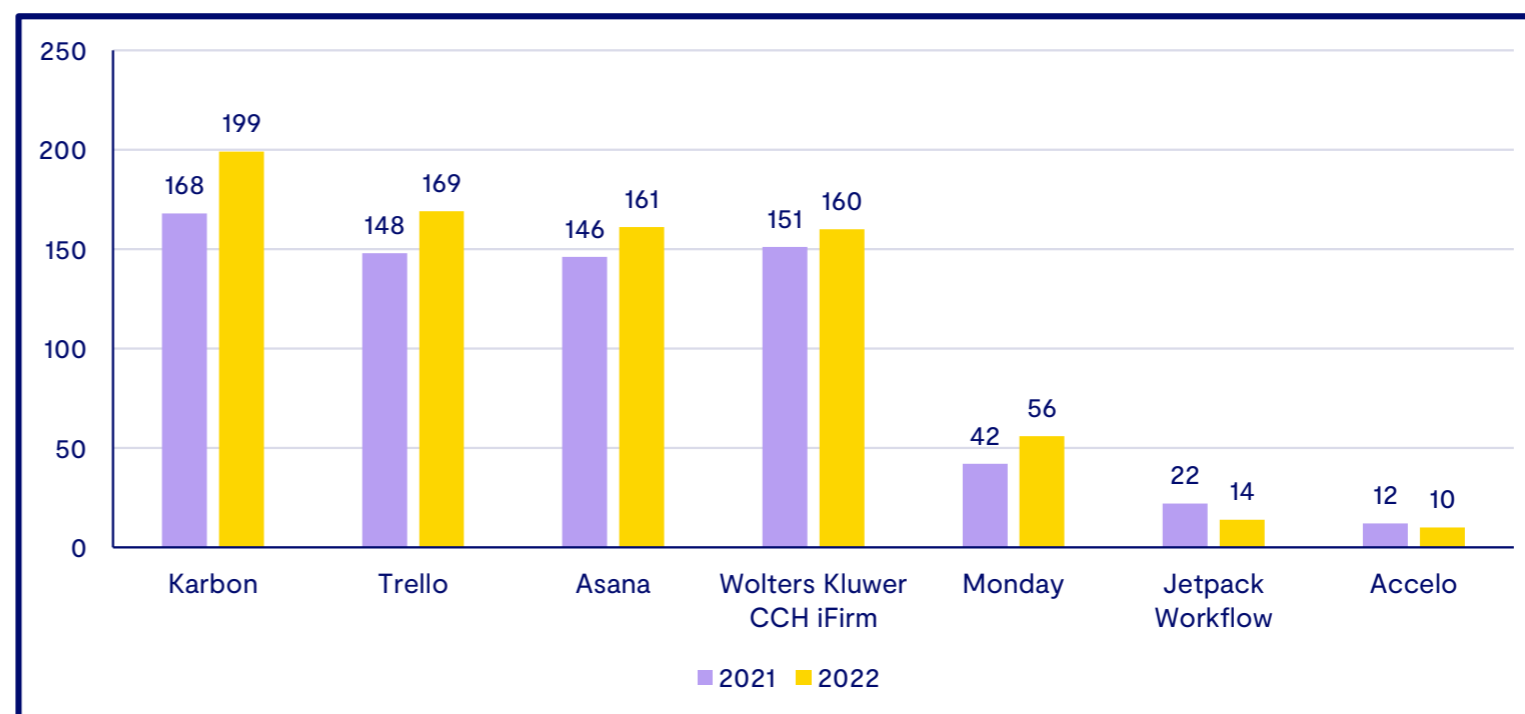
The data from this graph is taken from Practice Protect's database. For more information, please see Data & Methodology on page 5.

Practice management remains an interesting space defined by two narratives. Karbon and Wolters Kluwer CCH iFirm continue to win customers, the majority are most likely churning from Xero Practice Manager.

As mentioned in last year's report, Xero Practice Manager isn't listed here even though it dominates the cloud practice management category for small firms in Australia. Many firms log into XPM from their Xero accounts so it isn't possible to identify the exact number using XPM rather than just Xero.

Karbon in particular had a strong year, tripling the number of new firms compared to CCH iFirm.

The second narrative is the increasing use of generalist project management apps. Asana and Trello are both more popular and growing faster than CCH iFirm. Monday is also growing quickly, no doubt due to its comprehensive advertising campaigns.

The three project management apps represent nearly a third of all firms in this report. However, it is unknown how many

firms are using these apps to manage job workflow rather than for non-accounting tasks such as marketing, HR and general admin.

Worth noting that the US-based Jetpack Workflow had a sharp reduction in users, no doubt due to competition from Karbon, CCH iFirm and the automation features in document management software such as FYI.

Important updates for Karbon included integrations with Microsoft OneDrive and Dropbox Business for document management; Calendar integration; a new Client Portal; and a new tool for data and performance management called Karbon Practice Intelligence.

The headlines for CCH iFirm included a new user interface launched in September, which brought responsive screen designs to improve user productivity and workflow efficiency, and faster response times. More recently, CCH iFirm Practice Manager has integrated with FeeSynergy Collect to enable faster and easier debt payment.

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PRACTICE / JOB MANAGEMENT

APP	KEY PROPOSITIONS
Karbon	Collaborate with staff by assigning actions, mentions and notes to client emails and jobs Manage client relationships with visibility across communication, jobs, client tasks and auto-reminders Standardise workflows with templates using customisable statuses, checklists, job roles and work types
Trello	Track jobs and tasks using cards in a simple Kanban interface Automate task workflows for moving cards between project stages or assigning tags, users or other data Integrates with Dropbox, Google Drive and Slack
Asana	View tasks in a list or Kanban board interface. Manage workloads and track capacity using Gantt chart timelines. Create rules to automate workflows such as status updates and turn requests into jobs using built-in forms.
Wolters Kluwer CCH iFirm	Unified cloud tools for firm management & compliance, including modules for tax, practice management, client portal, document management, e-signatures, accounting, reporting, CRM and more. Integrates with CCH iKnow; easily search and access content from the Australian Master Tax Guide. New integration with FeeSynergy Collect to enable faster and easier debt payment.

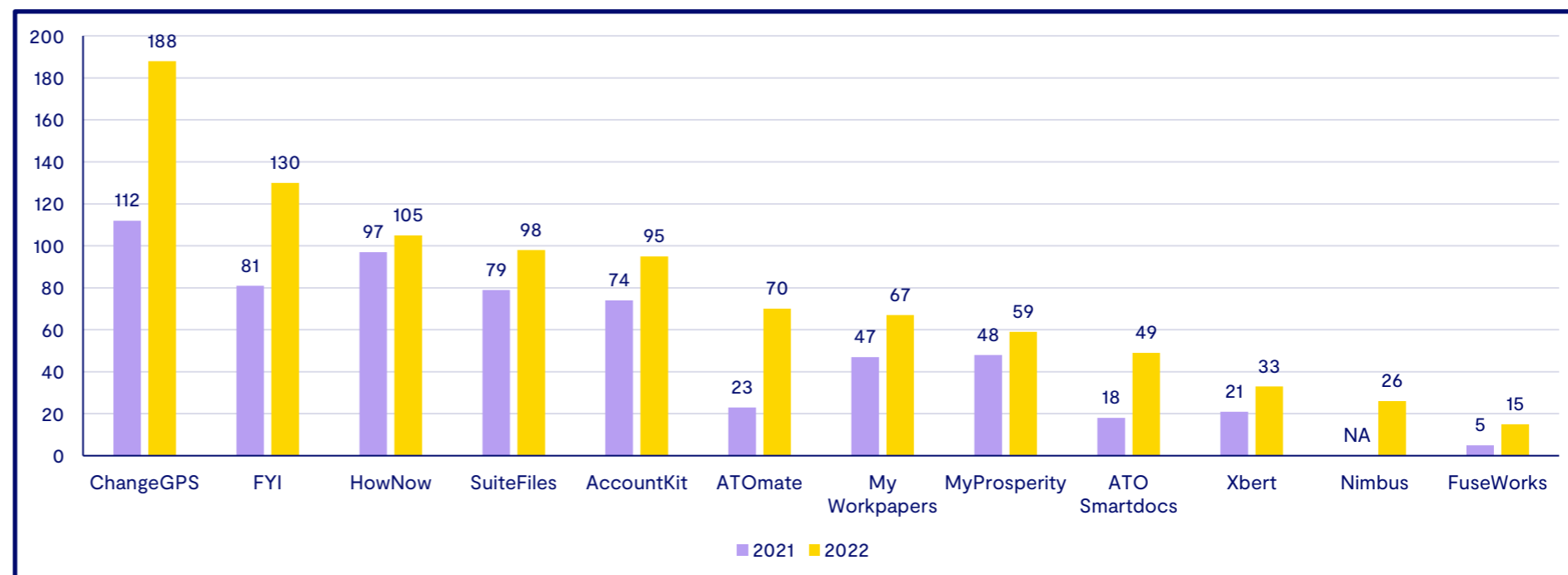| APP	KEY PROPOSITIONS
Monday	Create workflows based on 200+ templates and customise with 30+ column types. View jobs in Kanban, calendar, timeline, Gantt, map, form, or workload interface. Automate tasks such as adding notifications, creating items in other boards, assigning owners, and updating statuses.
Jetpack Workflow	Create standardised checklists for accounting jobs using a template builder or from 70 templates. Message staff to keep notes and communication in one place. Set tasks and jobs to repeat monthly, yearly, weekly, or daily.
Accelo	Manage projects against budgets, schedules and resources to maximise profits. Track time automatically by recording client meetings and time spent writing emails through integrations with calendar and email software. Use automations to update fields, enter information, or automatically alert team members or clients.

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Practice Protect

PRACTICE APPS

68% boost for ChangeGPS, one of the strongest-selling apps

60% jump for FYI shows the interest in automation

	2021	2022
ChangeGPS	112	188
FYI	81	130
HowNow	97	105
SuiteFiles	79	98
AccountKit	74	95
ATOmate	23	70
My Workpapers	47	67
MyProsperity	48	59
ATO Smartdocs	18	49
Xbert	21	33
Nimbus	NA	26
FuseWorks	5	15

■ 2021 ■ 2022

The data from this graph is taken from Practice Protect's database. For more information, please see Data & Methodology on page 5.

The growth in practice tools proves that accountants are always happy to pay for smart ways to improve their productivity.

2022 was a banner year in particular for ChangeGPS and FYI which both posted growth rates at least 60 percent.

Their closest competitors, AccountKit and SuiteFiles respectively, chalked up solid growth though at half the rate. Document management automation and accounting tools are clearly front of mind right now.

MyWorkpapers performed very strongly compared to HowNow, a suite which includes workpapers, document management, reporting, online portal and e-signing, and Smart Suite compliance tools.

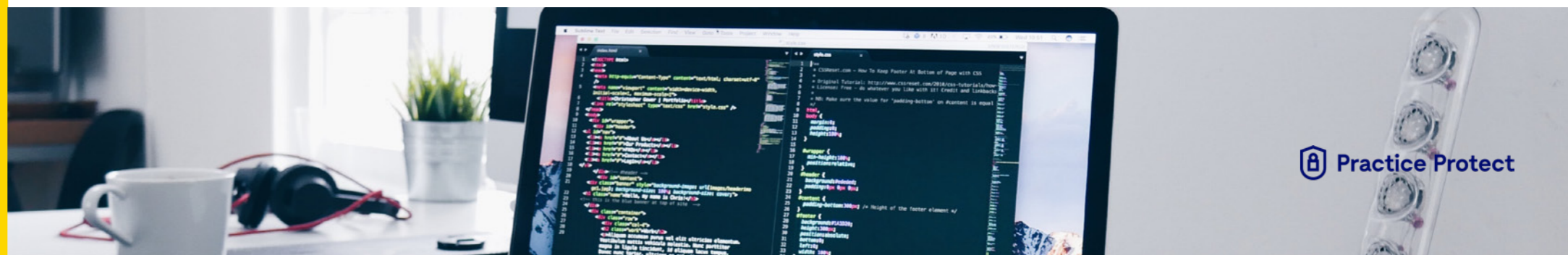Xbert also had a good year, showing the need to improve the quality of data in clients' books.

Any tool that helps manage the firehose of communications from the ATO is going to do well. ATOmate and ATO SmartDocs are both doing well in this niche and are ones to watch in next year's report.

FYI improved syncing with Xero Practice Manager in two important areas; workflow jobs now sync tasks in XPM jobs, and client and job custom fields in XPM can now be maintained in FYI. It also added the ability to edit PDFs in the cloud rather than the desktop with an integration to PDFit.

SuiteFiles also focused on PDFs. It launched a PDF editor that can mark up PDFs directly in the SuiteFiles Web App, added the ability to merge multiple PDFs and a multi-sign feature for document e-signatures. It also just added an integration to BGL's CAS 360 compliance software.

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PRACTICE APPS

APP	KEY PROPOSITIONS
ChangeGPS	ChangeGPS Core includes templated documents, checklists, systems and apps for compliance and practice management. ChangeGPS TaxPlan bundles 90+ tax strategies, cashflow and tax flow reports, and ChangeGPS Progress manages year-end planning. ChangeGPS Engage contains engagement letters and onboarding systems with a payments portal. ChangeGPS Progress helps you have meaningful client conversations through a beautiful year end reports that helps you set up the next years fears and shows clients the progress they made towards their goals in the prior year.
FYI	Cloud DM for accountants that attaches tasks, jobs, emails, documents, reports and tax returns from Xero, BGL and NowInfinity etc. to the client file. Create emails and documents from templates with data from practice software, co-edit documents with team and clients, send docs to clients securely. Manage tasks, document workflows, XPM jobs and time recording; set up automations for any multi-step process such as engagement letters, client onboarding, ITR checklists, etc.
HowNow	HowNow SmartSuite includes 800+ procedures, letter templates, forms, checklists and Smart Workpapers for compliance, practice management and business advisory. HowNow Workflow Manager tracks projects and tasks and manages workload on analytics dashboards. HowNow X creates documents with pre-populated data from practice management software and files documents and emails in a centralised location.

APP	KEY PROPOSITIONS
SuiteFiles	Store, share, and sign documents and manage files, emails, and tasks in a central location. Create and mark up PDFs, send PDFs for signing with automated reminders. Includes automations such as automatically saving the signed version in the correct folder. Auto-populate templated documents with client data from Xero Tax, Xero Practice Manager and WorkflowMax. Also integrates with CAS 360, ATOmate, ATO SmartDocs, AccountKit, and FuseWorks.
AccountKit	Use a suite of tools to streamline compliance activities and client advisory on loans, super, retirement, etc. A new workflow tool adds flexible views, daily task lists and templated repeating tasks. Centralise and automate inter-entity loans, equipment finance, division 7a, fuel tax credits and other compliance activities, synced to Xero Practice Manager. Includes a CRM to create and save emails, phone calls and meeting notes, and saves information to third-party document management apps.
ATOmate	Integrates directly with the ATO to automate the processing, checking and communication of ATO documents, so you'll never miss ATO correspondence Reduces ATO document processing time by up to 90% including automatically redacting Tax File Numbers Integrates with all practice management and document management systems
MyWorkpapers	Track workflow, manage clients, and sort by client, deadline, status, etc. to quickly distribute work Automatically apply the latest standards to all cloud workpapers via the content pack marketplace Communicate with clients and auditors through dedicated portals
MyProsperity	Communicate with clients and their financial professionals in online rooms with chat, document uploads, e-signatures and tax checklists. Review live data from top banks, property, car, planning and investment platforms when giving wealth advice to clients. Store important documents, insurance policies and wills, and produce an executor's kit.

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PRACTICE APPS

APP	KEY PROPOSITIONS
ATO Smartdocs	Checks the estimated vs assessed amount in ATO notices and sends an encrypted version to clients
	Processes 192 ATO document types and non-ATO documents such as ASIC letters and engagement letters
	Renames documents and files them into all practice management, tax and document management apps in Australia
XBert	Runs 60+ AI-driven audits on client data continuously to identify errors, anomalies and missing data
	Provides workflow management linking errors directly to the accounting app for quick resolution
	Provides analytics and insights into client data, trends and patterns to assist the bookkeeping practice in providing advice to client
Nimbus	Set up a secure portal for sharing, viewing, and online editing documents with clients
	Includes unlimited electronic signing with individual or multiple signatures per document, for clients and staff
	Create custom workflows for document management and centralise email communication
FuseWorks	FuseDocs automates the collation of annual and recurring client documents from accounting and practice software using robotic process automation
	FuseSign sends multiple documents to multiple recipients for e-signatures with customised signing order and signing actions
	FuseCharts creates structure charts and relationship maps and FuseTools includes tools for workflow and capacity reporting, database maintenance and automated email alerts.

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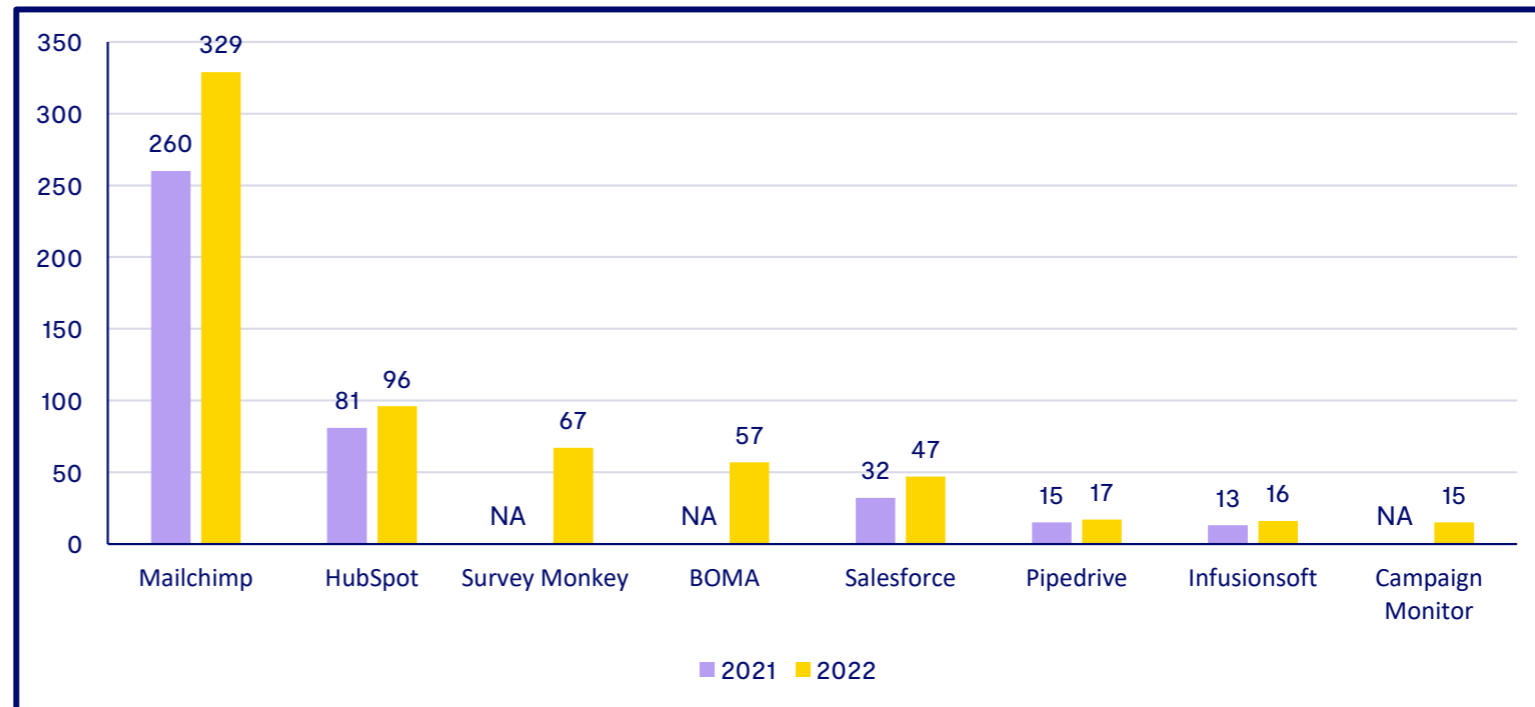
EMAIL MARKETING

50% firms using Email Marketing & CRM Software

27% rise for Mailchimp, emerging as the default tool for firms

19% bump for HubSpot, an enterprise tool with a compelling free plan

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	Mailchimp	HubSpot	Survey Monkey	BOMA	Salesforce	Pipedrive	Infusionsoft	Campaign Monitor
2021	260	81	NA	NA	32	15	13	NA
2022	329	96	67	57	47	17	16	15

The data from this graph is taken from Practice Protect's database. For more information, please see Data & Methodology on page 5.

Australian firms are increasingly interested in sales and marketing. They are looking for a dedicated email marketing or CRM to communicate with clients instead of the standard Outlook email blast.

Intuit's Mailchimp continues to dominate the market with few serious competitors. It's worth noting that a subscription to Mailchimp gives you email newsletters, online landing pages, a free website, social network posts and ad management – even physical postcards. However, many firms are unlikely to use even half these features. They would probably be better off sending newsletters with Campaign Monitor, a simpler tool produced in Australia, says Bizink's Matt Wilkinson.

HubSpot's freemium approach continues to appeal to firms looking for a well designed and easy-to-use CRM. Salesforce looks like an unusual fit. It is an unwieldy enterprise tool that requires expensive developers to customise. This is a red herring; the data shows that accountants are actually accessing their clients' Salesforce accounts, not using it for their own practices.

This year we have added related apps such as Survey Monkey, which can measure customer satisfaction as well as collect data in surveys, and BOMA. BOMA is a library of business articles that you can send to clients via newsletter or social media to cultivate your image as a business advisor.

N/A indicates we had no data for the respective apps in 2021

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EMAIL MARKETING & CRM

| APP	KEY PROPOSITIONS
Mailchimp	Contact clients via email newsletters, online landing pages, website, social network posts and ads, and physical postcards Schedule appointments with clients with an online calendar and track client details with a basic CRM Analyse effectiveness of marketing activity with segmentation, multivariate testing and detailed reporting
Hubspot	Run marketing, sales, customer service and operations departments with enterprise modules. Track client behaviour on website pages with deep content marketing functionality and pipelines integrated with a CRM. Analyse effectiveness of marketing activity with segmentation, multivariate testing and detailed reporting.
Survey Monkey	Manage multiple users and gain visibility into all survey data collected across the organisation with admin controls and dashboards. Security includes encryption, SSO, and features that help maintain compliance with HIPAA and GDPR. Make feedback automated and actionable by connecting to key business systems using APIs and powerful integrations, including Salesforce, Marketo, Tableau, and more.
BOMA	Create and send professional looking branded emails to contacts. Build lead capture forms to collect contact details and automatically add them to contact lists, as well as embed forms on websites. Detail engagement with email and social media campaigns with the use of campaign analytics

APP	KEY PROPOSITIONS
Salesforce	Run marketing, sales, customer service, e-commerce and operations departments with enterprise modules Track customer actions and behaviour at scale with business intelligence and data warehouse integrations Analyse effectiveness of marketing activity with segmentation, multivariate testing and detailed reporting
Pipedrive	Track leads and deals in pipelines with recommended actions based on AI analysis of client behaviour Manage sales conversations from your inbox and automatically link emails to deals and contacts Analyse performance to understand sales cycle duration and how to improve win rate and sales process
Keap	Contact clients via email newsletters, online landing pages, website, dedicated phone line and SMS broadcasts. Automate lead scoring with an automation builder that segments leads based on their behaviour and other factors. Book appointments online and send quotes.
Campaign Monitor	Create and customise branded emails for email campaigns using ready-made templates. Utilise customer data to build targeted segments, and send personalised emails tailored to individual interests. Integrates with hundreds of other apps like Salesforce, Wordpress, and Facebook lead ads.

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HUMAN RESOURCES

153 firms using Deputy, one of the earliest roster apps

177 firms use Employment Hero and (recently acquired) KeyPay
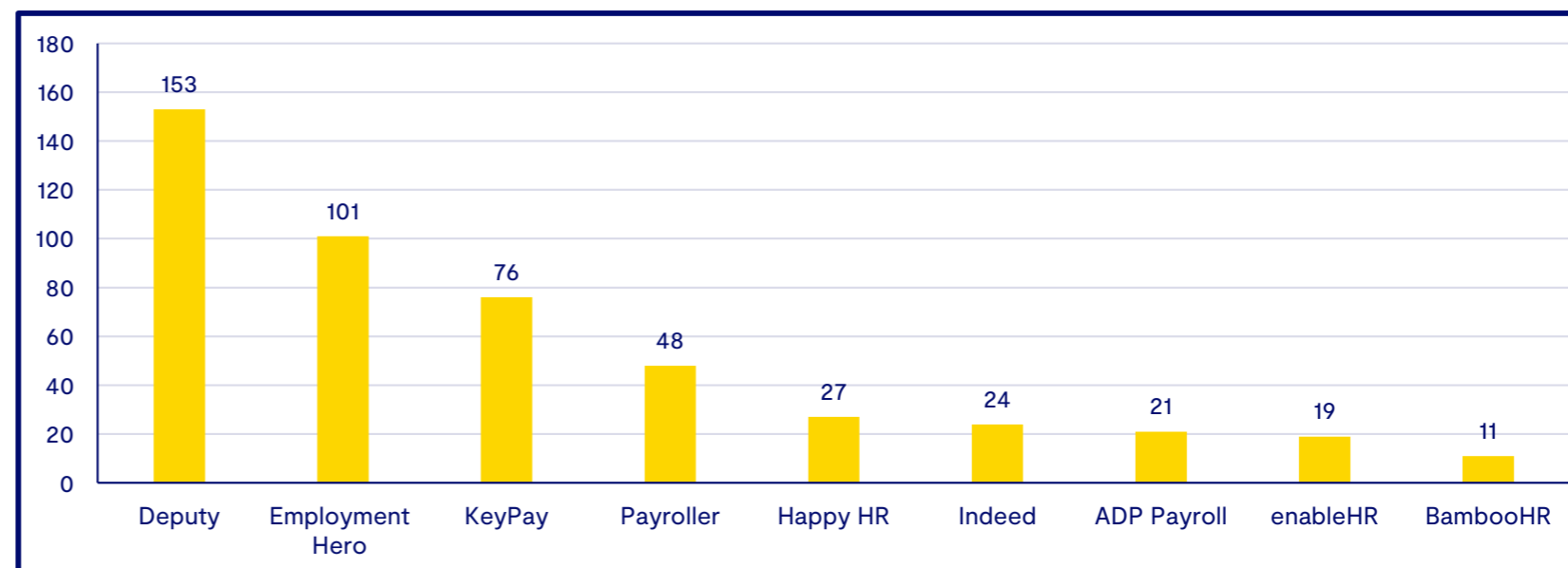
The data from this graph is taken from Practice Protect's database. For more information, please see Data & Methodology on page 5.

HR is a new category to the Cloud Apps report which shows the popularity of various solutions used by accountants, either for themselves or their clients. HR software is going through a phase of consolidating features into powerful suites.

Apps such as Deputy, for example, started out with rostering and now include time tracking, employee onboarding and award interpretation.

Employment Hero is another app that has taken the suite approach even further afield. It covers the full onboarding process from applicant tracking and employment contract management.

It also includes employee benefits (awards such as 5% off your Woolworths shopping) and an employee assistance program, a confidential counselling service provided free to your team as a workplace benefit.

Ultimately we are likely to see HR apps in the SME market expand into mini human capital management suites. Common among enterprises, these platforms include recruitment, onboarding, payroll, time and attendance, benefits and retirement services, talent management, training, reporting and analytics, and compliance.

The HR software market is also seeing consolidation among companies. Employment Hero acquired popular payroll software KeyPay in February for an undisclosed sum. More consolidations are likely given the long tail of small providers.
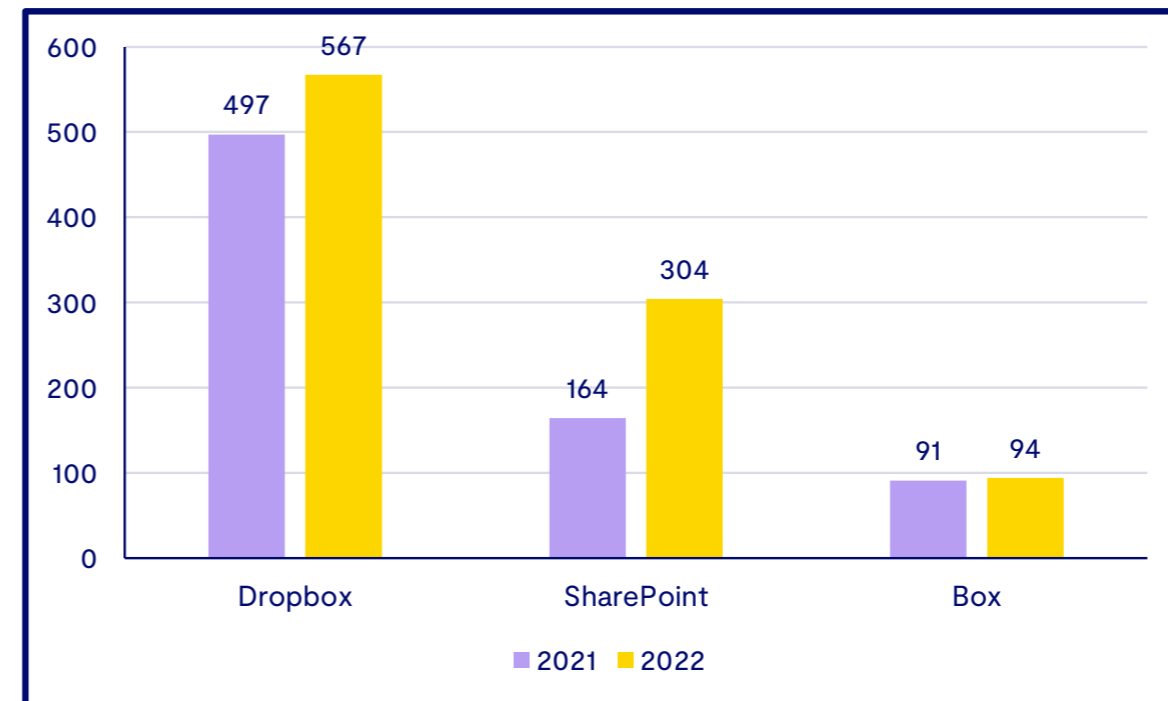
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FILE HOSTING

85% leap for SharePoint as firms migrate fully onto Microsoft 365

14% bump for Dropbox, a popular tool with clients and firms

The data from this graph is taken from Practice Protect's database. For more information, please see Data & Methodology on page 5.

File hosting apps is a category we measured last year but decided not to include.

Two of the biggest players, Google (Google Drive) or Microsoft (Microsoft OneDrive or Sharepoint), are impossible to track because they share logins with Google Workspace and Microsoft 365 respectively.

However, it is interesting to see the continued usage of Dropbox and Box within Australian firms. Dropbox in particular shows no signs of slowing, with nearly half of all firms using the service. Again, firms could have Dropbox accounts just to access clients' Dropbox folders rather than using it to store their own documents.

Box is essentially an enterprise version of Dropbox – more powerful and less user friendly. Remarkably, it is still growing strongly despite the fact that nearly every firm can access file hosting as part of their Microsoft 365 subscription.

We are also tracking SharePoint logins as an indicator of usage. This comes with two caveats; as stated above, many firms on SharePoint are logging into Microsoft 365 and navigating to SharePoint. Secondly, SuiteFiles (in the Practice Tools category) is a skin for SharePoint and its 98 firms should be added to the figure here.
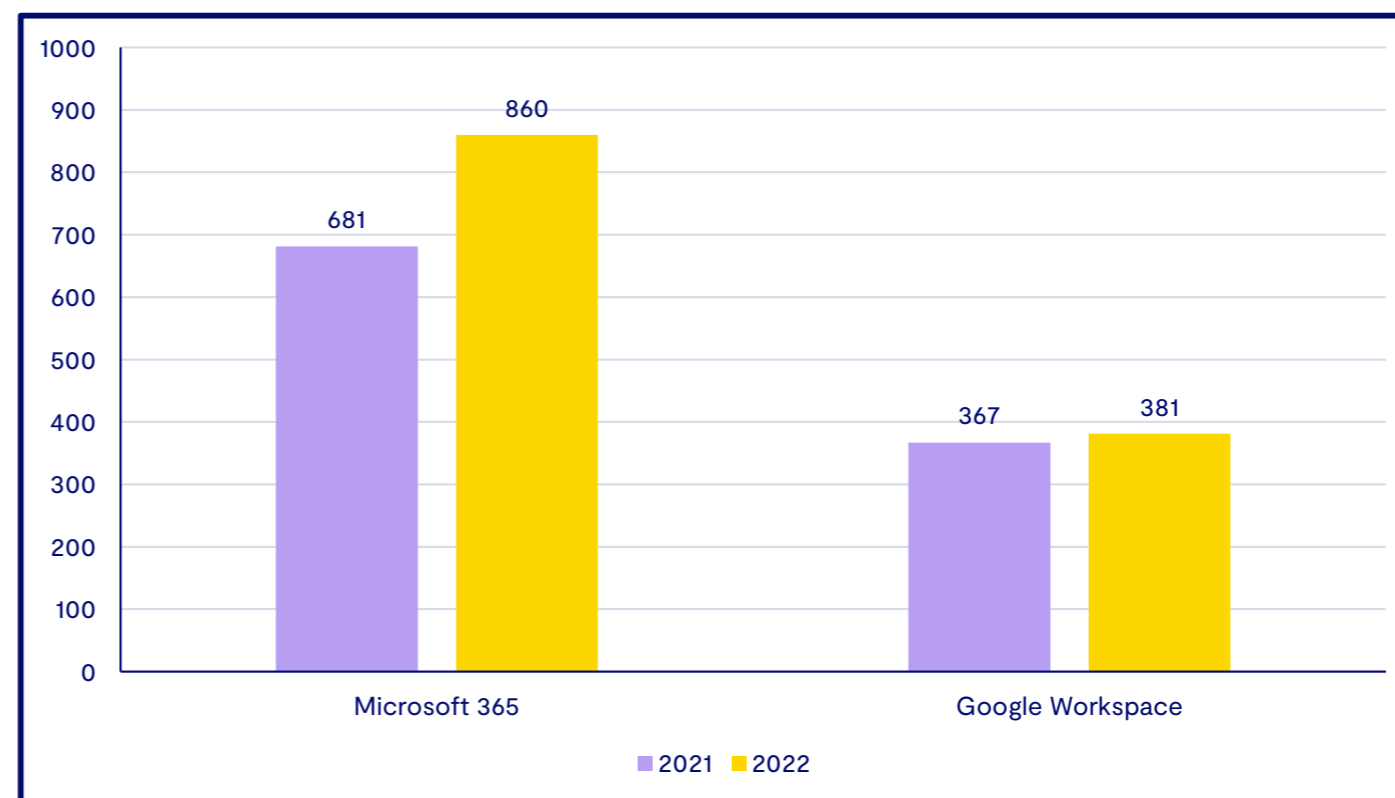
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GOOGLE VS MICROSOFT

41%
jump for Microsoft as cloud replaces desktop software

4%
lift for Google, most likely for client logins

*The data from this graph is taken from Practice Protect's database. For more information, please see Data & Methodology on page 5.

Accounting remains a Microsoft shop. The fact that only 66 percent of firms have a Microsoft 365 login is most likely because the other third log in directly through their PC and therefore aren't tracked in this survey.

Microsoft has after a wobbly start pulled off a pretty impeccable transition to the cloud. Witness the takeup of Microsoft Teams; it looked like Slack would establish a foothold but it has remained close to 12 million daily users while Teams hit 72 million by 2020. It then doubled to 145 million in 2021 thanks in part to the Covid pandemic.

Google had almost a decade's headstart and yet failed to make much of a dent in the Microsoft edifice. The almost one-third of firms that have Google logins would hold them for accessing clients' Google Sheets. A Google-first firm remains a rarity. Microsoft's push into automation through its Power suite (Power Automate and Power Apps) promises to drive new levels of productivity. Progressive Australian firms are using Microsoft's AI tools to auto-tag files and folders for document management and linking client data to Microsoft Azure for deeper analysis.

Microsoft can't get any broader coverage in accounting but it is likely to go much deeper in the coming years.

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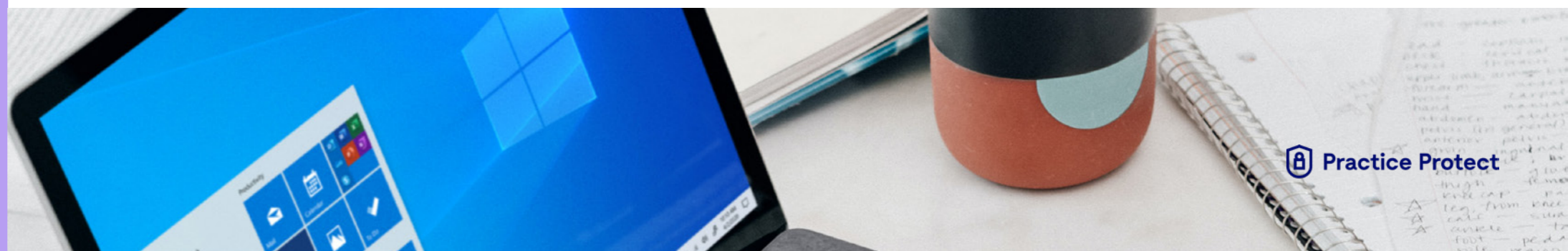
CONCLUSION

The big takeaway from this report is that in the past 12 months, Australian accounting and bookkeeping firms have increased their investment in technology to improve productivity. They have done the calculations and recognised that software can reduce time to complete jobs and increase throughput.

This is critically important right now given the talent squeeze. Firms of all sizes are complaining about how difficult it is to find staff, particularly at junior levels. The consequence is that firms are paying more in recruitment fees and salaries, and knocking back work because they just can't get it done in time.

Increasing the output of your existing staff reduces the pressure to hire another role. The purpose of software is to boost productivity; so we are likely to see similar rates of growth in software adoption in the next 12 months.

Some of the fastest growing areas include proposal software, which increases the speed of onboarding and automates cash collection; electronic signature software, which has become far more widely accepted since the pandemic forced everyone to work remotely; and SMSF and corporate compliance, essential software if you're trying to scale this service.

The two most interesting areas to watch in the next 12 months are practice management and practice tools. Both categories have a number of challengers bringing new ideas and innovations, and in the former there's also a lot of M&A.

An interesting byproduct of technology investment; if you want to get the most out of your software you need to focus on change management. Plenty of businesses buy technology and let it sit on the shelf.

Software itself isn't the solution. Firms need to ensure that they are investing in training and creating a culture that embraces change, self-improvement, and innovation.

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2022 Accounting Cloud Apps Report

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