

AI Revolution: Unleashing Opportunities and Navigating the New Frontier



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HIGGINS.CNF.IO
For interactive polling
and Q & A

Presented By
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Rochester, Michigan

Learning Goals



- Establish a foundational understanding of AI technology
- Identify opportunities to leverage the power of AI in tax and accounting
- Recognize the risks of AI and how to mitigate them

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John H. Higgins, CPA.CITP

Strategic Technology Advisor



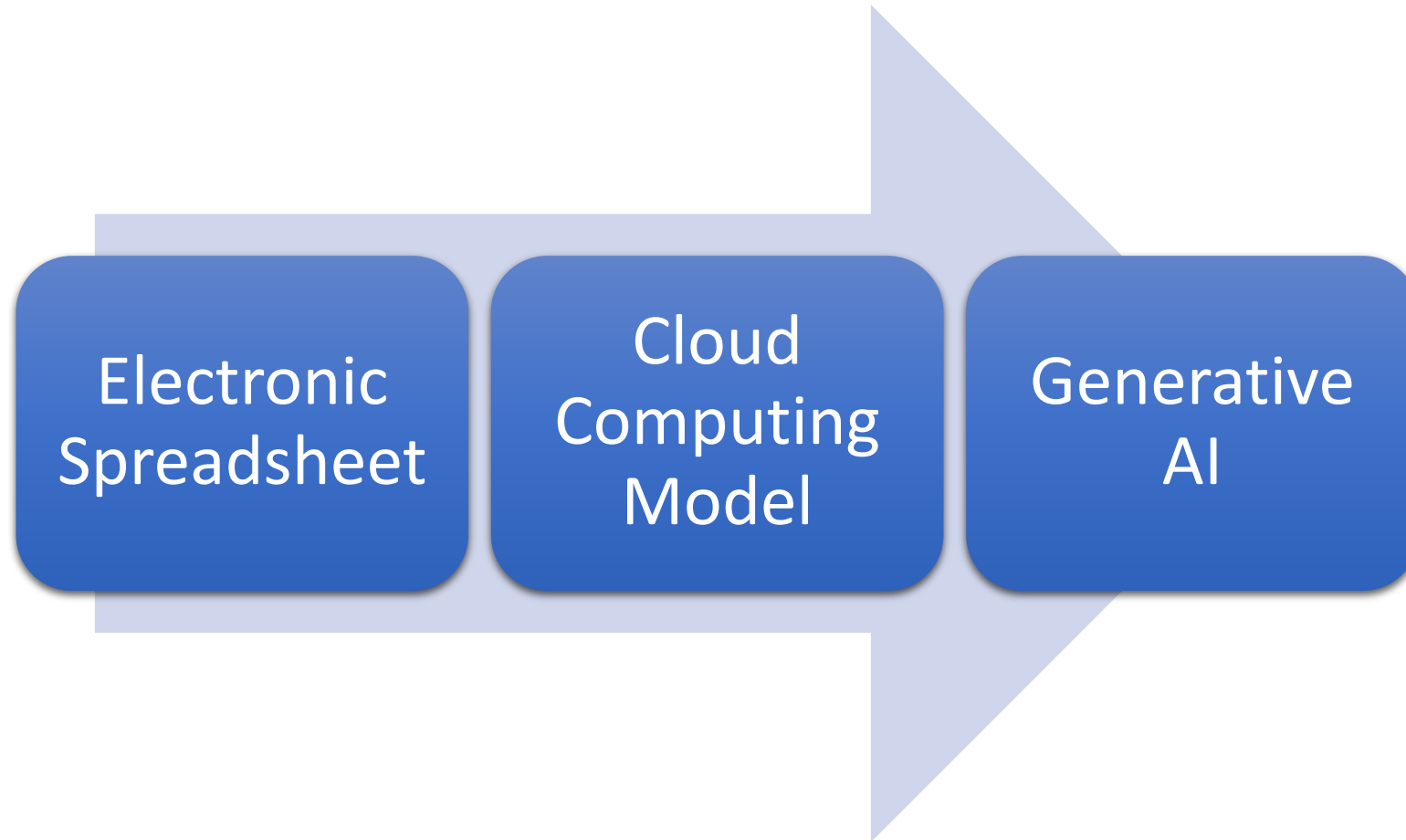
john@higginsadvisoryllc.com

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Nationally recognized thought leader, advisor, author and speaker on CPA technology
- Strategic technology advisor to the profession w/ 35+ years of experience
- Founded and sold two CPA technology advisory startups
- Former National Mid-market Technology Partner - BDO
- CPA Practice advisor Top 25 Thought Leader for the CPA profession
- AICPA Business & Industry Hall of Fame Inductee
- Past Chair of the Michigan Association of CPAs
- Passionate advocate for the CPA profession!

Presentation Outline

- Why is this important?
- The state of AI technology today
- Executive level review of how it works
- Leveraging generative AI in tax services
- A word of caution
- Deploying AI strategically within your organization
- What is next for AI

The Big Three CPA Technology Revolutions



WHY IS THIS IMPORTANT?



“AI will probably most likely lead to the end of the world, but in the meantime, there'll be great companies.”

Sam Altman
CEO, OpenAI

“The most important thing to know about AI, it is the first technology in history that can make decisions by itself and can create new ideas by itself.”

Yuval Noah Harari
Best Selling Author - Sapiens

“Robots will be able to do everything better than us. I am not sure exactly what to do about this. This is really the scariest problem to me.”

Elon Musk

Founder, Tesla & SpaceX

“Artificial intelligence is like electricity; it has application everywhere”

Andrew Ng
Co-founder Google Brain



Generative AI for Everyone

Nvidia Stock Chart

NVIDIA Corp

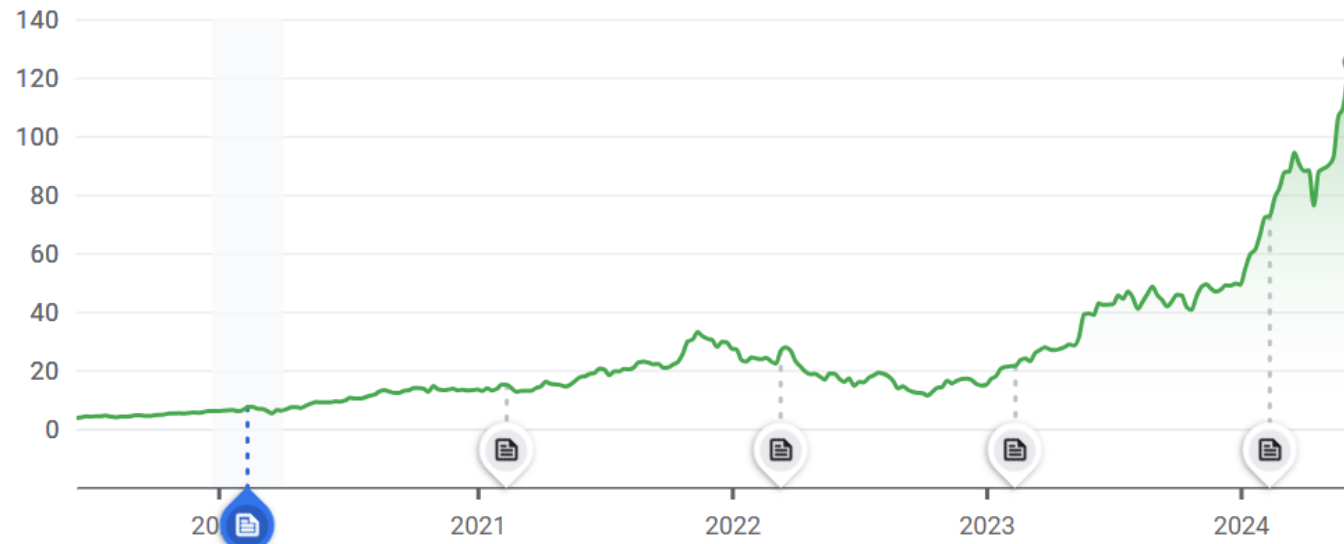
\$125.20 ↑3,358.56% +121.58 5Y

After Hours: **\$126.49** (↑1.03%) +1.29

Closed: Jun 12, 7:59:57 PM UTC-4 · USD · NASDAQ · Disclaimer

1D 5D 1M 6M YTD 1Y 5Y MAX

× Key events



Apple Stock Chart

Apple Inc

\$213.07 ↑ 14.38% +26.79 1M

After Hours: **\$214.20** (↑0.53%) +1.13

Closed: Jun 12, 7:59:56 PM UTC-4 · USD · NASDAQ · Disclaimer

1D 5D 1M 6M YTD 1Y 5Y MAX

Key events >



Oracle Stock Chart

Oracle Corp

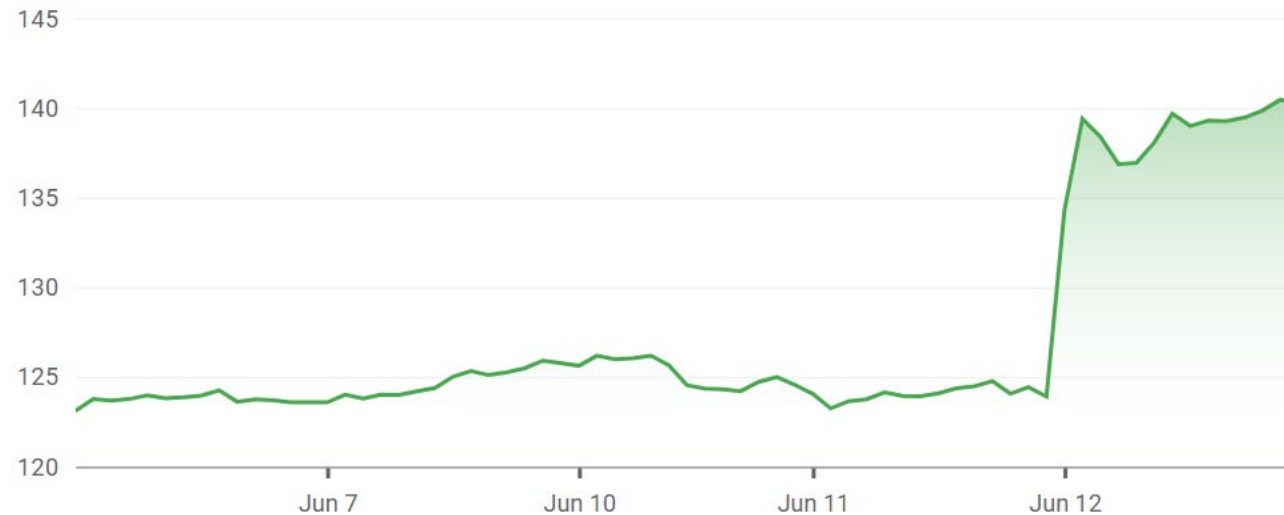
\$140.38 ↑ 14.06% +17.30 5D

After Hours: **\$141.07** (↑ 0.49%) +0.69

Closed: Jun 12, 7:59:51 PM UTC-4 · USD · NYSE · Disclaimer

1D 5D 1M 6M YTD 1Y 5Y MAX

Key events >



PwC Inks Mega Deal with OpenAI

- Largest user of ChatGPT w/ 100,000 users
- First reseller of ChatGPT
- 950 of top 1,000 clients engaging with generative AI
- PwC announced in 2023 a \$1 billion dollar commitment to generative AI training and tools over a three-year period

It is important!

THE STATE OF AI TECHNOLOGY TODAY



The Three Levels of AI

Narrow AI aka Weak AI	General AI aka Strong AI	Super AI aka Artificial Super Intelligence
<ul style="list-style-type: none">• Only form of AI that exists today• Limited to a defined task• Chatbots• ChatGPT	<ul style="list-style-type: none">• AGI – Artificial General Intelligence• Exists in theory only• Can accomplish new tasks without human training• Intellectually on par with humans• Current predictions are around 2030	<ul style="list-style-type: none">• Exists in theory only• Think / reason / learn / make judgements• Cognitive abilities surpassing human beings• Understand human feelings and feel emotions• Develop own beliefs and desires• No consensus prediction on arrival timeline

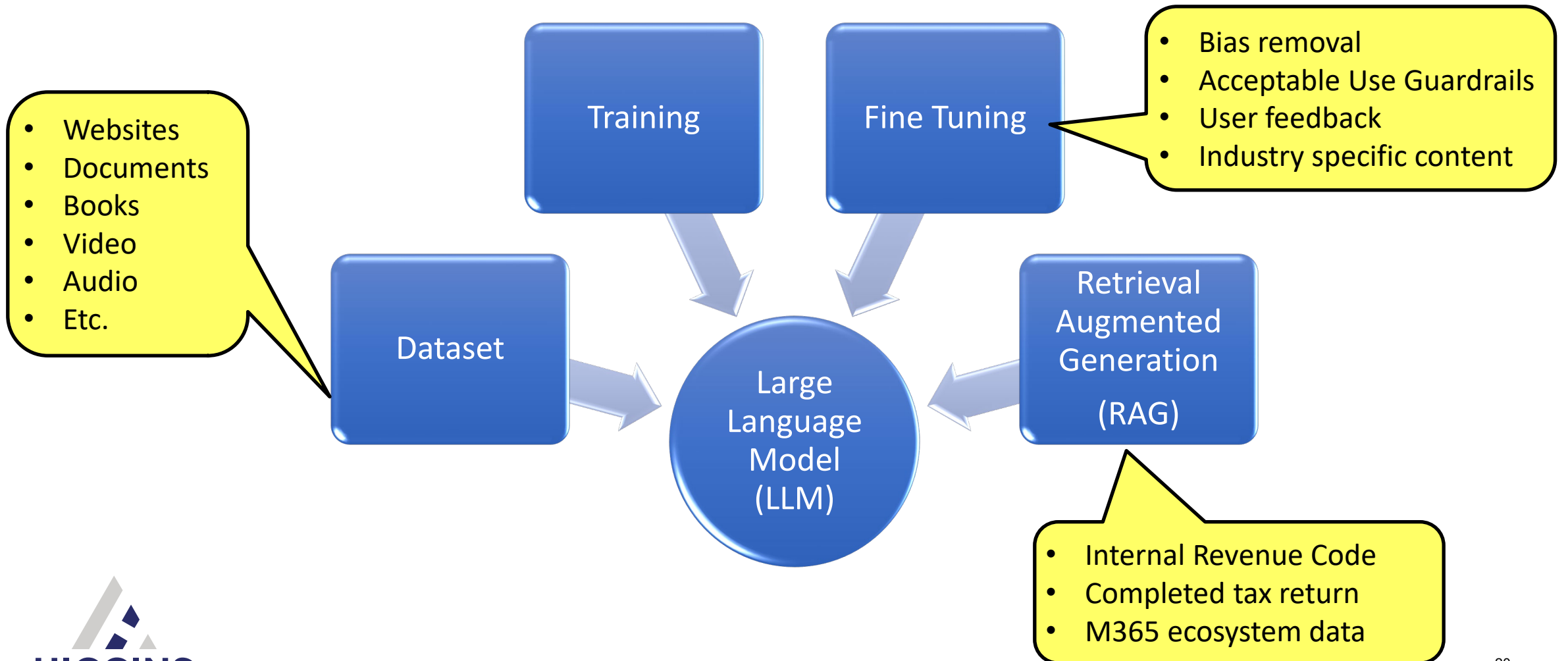
Current Day Examples

- [Amelia](#)
- [ChatGPT](#)
- [HeyGen](#)
- [Figure 01](#)
- [Neuralink](#)

EXECUTIVE LEVEL REVIEW OF HOW IT WORKS



Building Large Language Models



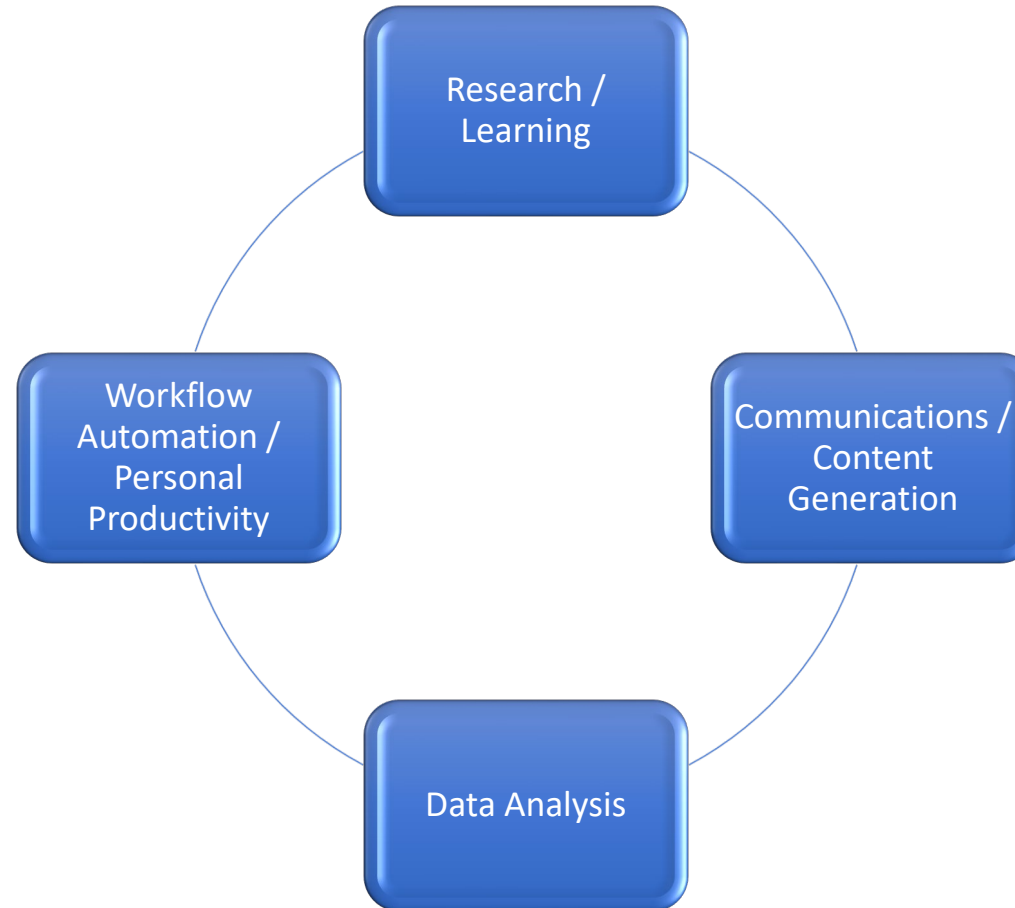
Popular Generative AI Apps

- [ChatGPT \(OpenAI\)](#)
- [Gemini \(Google\)](#)
- [Llama \(Meta\)](#)
- [Copilot \(Microsoft\)](#)
- [Claude \(Anthropic\)](#)
- [xAI \(Elon Musk\)](#)

LEVERAGING GENERATIVE AI IN TAX SERVICES



ChatGPT Applications for CPAs



Ten Generative AI Productivity Boosters for CPAs

- Jump start writing tasks
- Brainstorming
- Recap / document meetings
- Analyze / summarize documents
- Analyze / summarize spreadsheets
- Create Excel macros
- Staff training
- Create PowerPoint presentations
- Supplement client advisory services
- Improve written communications

Communications Example – Job Description

Write an engaging job description for an online ad to recruit a staff accountant to work in a small tax practice located in Wichita, Kansas. This is a hybrid position. Our primary software applications are Drake tax preparation software, QuickBooks and Checkpoint Edge tax research software.



View results in ChatGPT

Content Generation Example - 1040 Engagement Letter

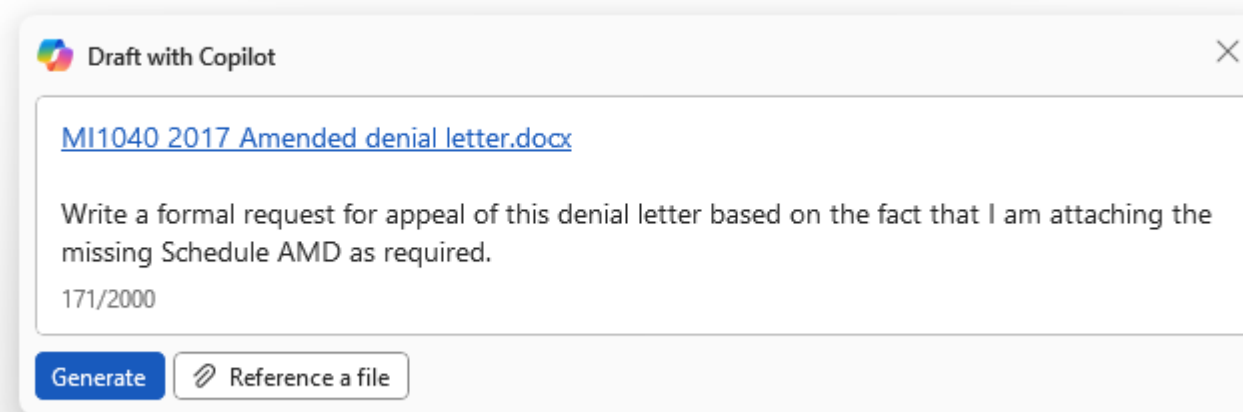
Microsoft Copilot for Word Prompt

Create a client services agreement aka engagement letter for a CPA to send to the client that outlines the terms of service that will be provided to prepare the client's 1040 tax returns. Include an outline of the various steps in the service that will be provided, the client's responsibilities, standard legal terms, the fees, which will be determined as a fixed price, subject to out-of-scope services that may be required. Add a signature block for the client and the CPA.

[Link to output document](#)

Content Generation Example - Tax Appeal Letter

- Compose a letter to respond to a Treasury Department amended return denial



Additional Generative AI Opportunities in Engagement Administration

- Client proposals
- Client letters
- IRS letters
- Email communications
- Excel workbook automation (macros)
- Client meeting documentation / recap

Data Analysis Example – Nvidia Annual Report

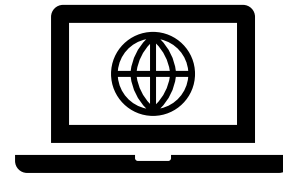
- Calculate the quick ratio, current ratio and debt to equity ratio for each of the years presented in the report.
- Identify the senior executives in 2023 and their effective compensation.



View results in ChatGPT

Workflow Automation Example – Excel Macro

Create an excel macro to print the amortization schedule through the requested payment date



View results in ChatGPT



Meeting Documentation Example – Microsoft Teams

- The meeting recording / transcript becomes RAG (Retrieval Augmented Generation)
- Summarize meeting conversations in real time
- Prompt for specific information about the meeting

Meeting Documentation Example – Microsoft Teams



Meeting notes

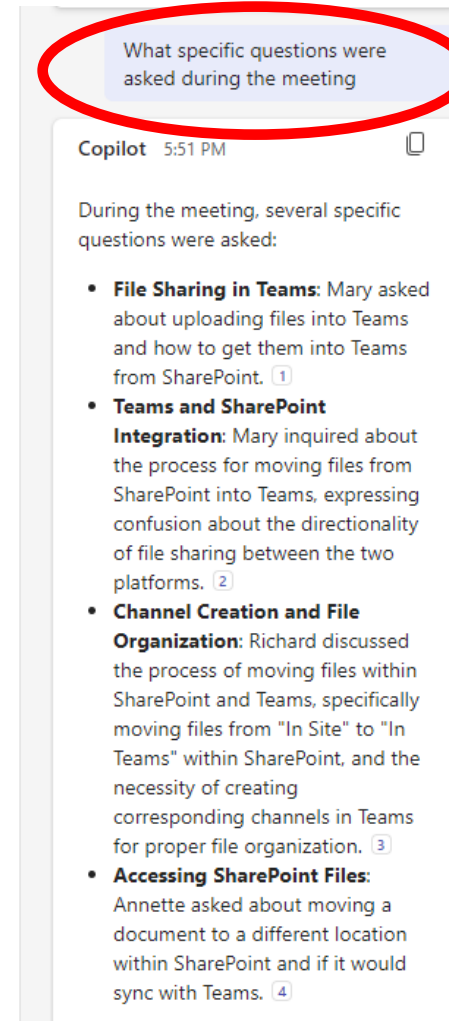
- > **Teams and SharePoint Integration:** John explained the process of integrating Teams and SharePoint, focusing on how to move files between the two platforms and the importance of understanding the corresponding SharePoint site for a team. This was part of a broader discussion on maximizing the use of Teams for collaboration.
- > **File Sharing and Security:** John and Richard discussed the nuances of sharing files within Teams and SharePoint, emphasizing the importance of selecting the appropriate sharing settings to ensure security and control over who can access the files. This included a detailed explanation of sharing options and the implications of each choice.
- > **Collaboration in Real-Time:** John demonstrated real-time collaboration on an Excel file with Richard, showcasing the ability to work simultaneously on a document and the visibility of each participant's actions within the file. This highlighted the potential for efficient teamwork and the importance of the autosave feature.
- **Version Control and File Recovery:** Annette inquired about recovering previous versions of a file after changes were made, leading to a brief explanation by John on how to access version history in SharePoint. This discussion underscored the value of SharePoint's version control for managing document revisions and ensuring data integrity.

Are these notes useful?  


Follow-up tasks

- **File Sharing:** Review and update the shared Excel file as requested (Richard)
- **Meeting Follow-up:** Solicit input from the team for topics to cover in the last training session (Richard)
- **SharePoint Training:** Prepare to cover SharePoint version history and file recovery in the next session (John)

Are these tasks useful?  



What specific questions were asked during the meeting

Copilot 5:51 PM 

During the meeting, several specific questions were asked:

- **File Sharing in Teams:** Mary asked about uploading files into Teams and how to get them into Teams from SharePoint. [1](#)
- **Teams and SharePoint Integration:** Mary inquired about the process for moving files from SharePoint into Teams, expressing confusion about the directionality of file sharing between the two platforms. [2](#)
- **Channel Creation and File Organization:** Richard discussed the process of moving files within SharePoint and Teams, specifically moving files from "In Site" to "In Teams" within SharePoint, and the necessity of creating corresponding channels in Teams for proper file organization. [3](#)
- **Accessing SharePoint Files:** Annette asked about moving a document to a different location within SharePoint and if it would sync with Teams. [4](#)

AI Enabled Tax Advisory Example

- Provide a summary of all the income tax issues related to an individual purchasing a house for use as a rental property. Include a list of all tax forms impacted

[Link to output document](#)

AI Generated Tax Advisory Content

- Recommendations for reducing the tax burden
- Analysis of a completed tax return
- Analyze complex documents for potential tax implications
- Compare alternative scenarios for a potential tax impact
- **Note: An industry specific LLM tuned for taxation and/or RAG access to the IRS code is optimal**

ChatGPT Data Analysis Prompt Example

Analyze this Excel sales history file.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	
1	Cust#	Customer Name	Location	Region	Country	Group	Product Name	Product Category	Order date	Order Quantity	Unit Price	Total Product Cost	Sales Amount	Tax Amt	Freight	Size
2	35560	Kelli L Xu	110	Germany	Germany	Europe	Classic Vest, L	Vests	11/8/2011	1	63.5	23.749	63.5	5.08	1.5875	L
3	22760	Donald Chandra	120	United Kingdom	United Kingdom	Europe	Classic Vest, L	Vests	8/31/2011	1	63.5	23.749	63.5	5.08	1.5875	L
4	20560	Dale Shen	100	France	France	Europe	Classic Vest, L	Vests	3/17/2011	1	63.5	23.749	63.5	5.08	1.5875	L
5	44870	Preston Rodriguez	160	Northwest	United States	North America	Classic Vest, L	Vests	12/19/2010	1	63.5	23.749	63.5	5.08	1.5875	L
6	18630	Christian A Thomas	160	Northwest	United States	North America	Classic Vest, L	Vests	11/6/2010	1	63.5	23.749	63.5	5.08	1.5875	L
7	33150	Jose J Hall	130	Canada	Canada	North America	Classic Vest, L	Vests	10/22/2010	1	63.5	23.749	63.5	5.08	1.5875	L
8	21080	Darrell Goel	100	France	France	Europe	Classic Vest, M	Vests	12/5/2011	1	63.5	23.749	63.5	5.08	1.5875	M
9	43610	Nicole J Williams	160	Northwest	United States	North America	Classic Vest, M	Vests	11/7/2011	1	63.5	23.749	63.5	5.08	1.5875	M
10	24570	Erick E Gonzalez	110	Germany	Germany	Europe	Classic Vest, M	Vests	10/10/2011	1	63.5	23.749	63.5	5.08	1.5875	M
11	43910	Olivia K Cox	100	France	France	Europe	Classic Vest, M	Vests	4/8/2011	1	63.5	23.749	63.5	5.08	1.5875	M
12	40240	Marissa Price	130	Canada	Canada	North America	Classic Vest, M	Vests	3/24/2011	1	63.5	23.749	63.5	5.08	1.5875	M
13	52430	Tyler C Lewis	160	Northwest	United States	North America	Classic Vest, M	Vests	3/12/2011	1	63.5	23.749	63.5	5.08	1.5875	M
14	17460	Carrie D Ruiz	130	Canada	Canada	North America	Classic Vest, M	Vests	2/8/2011	1	63.5	23.749	63.5	5.08	1.5875	M
15	26260	Gary G Serrano	100	France	France	Europe	Classic Vest, M	Vests	1/15/2011	1	63.5	23.749	63.5	5.08	1.5875	M
16	26440	Gerald Alonso	110	Germany	Germany	Europe	Classic Vest, M	Vests	12/1/2010	1	63.5	23.749	63.5	5.08	1.5875	M
17	36020	Kenneth Raje	120	United Kingdom	United Kingdom	Europe	Classic Vest, M	Vests	11/27/2010	1	63.5	23.749	63.5	5.08	1.5875	M
18	37880	Levi J Suri	110	Germany	Germany	Europe	Classic Vest, M	Vests	8/12/2010	1	63.5	23.749	63.5	5.08	1.5875	M
19	12830	Andrew T Wedge	130	Canada	Canada	North America	Classic Vest, M	Vests	5/2/2010	1	63.5	23.749	63.5	5.08	1.5875	M



View results in ChatGPT

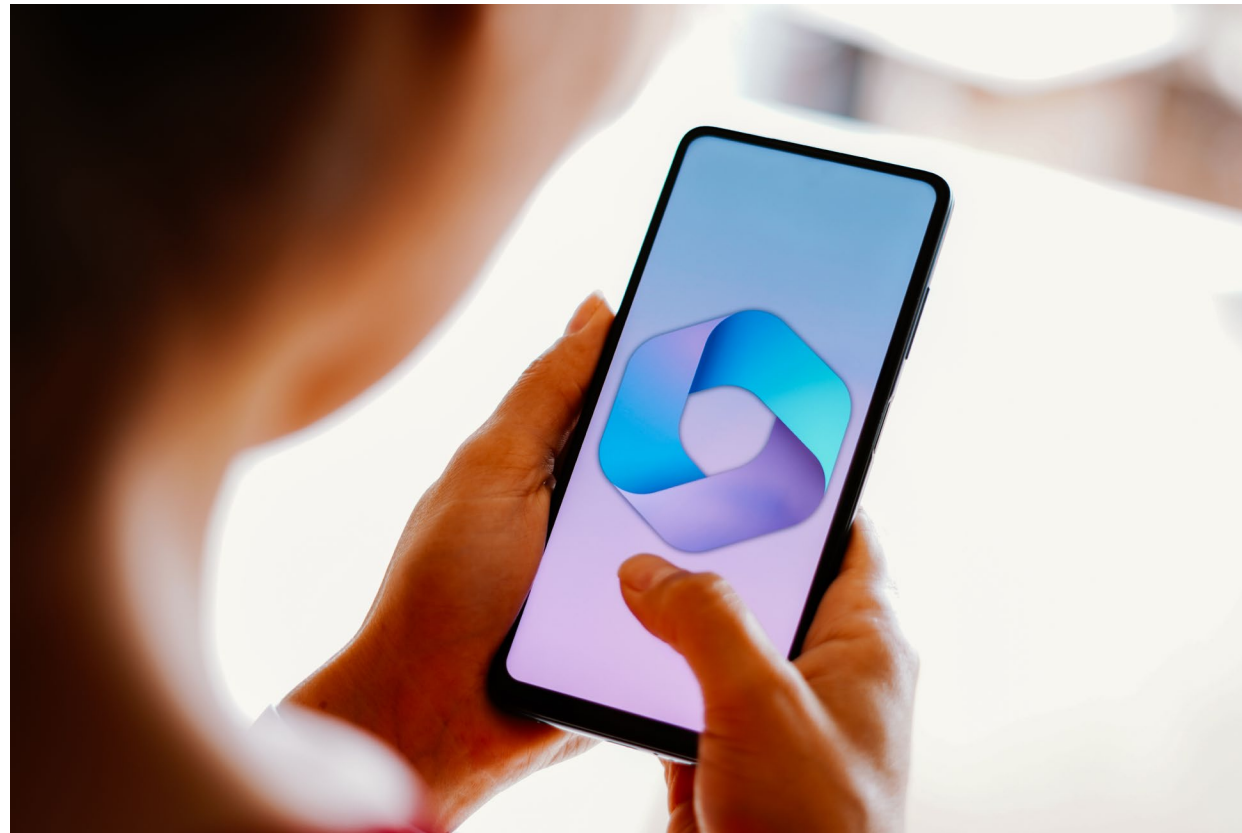
A WORD OF CAUTION



Tips for Safe Usage of AI

- Establish an AI usage policy **w/ education**
- Verify generated output commensurate with reliance
- Anonymize personal & confidential data
- Review output for biases

GET READY FOR MICROSOFT COPILOT



Live Content Slide

When playing as a slideshow, this slide will display live content

Poll: Do you use Microsoft 365 in your business?



Things to Know About Microsoft Copilot

Copilot is ChatGPT technology embedded into Microsoft applications

Microsoft owns a 49% stake in OpenAI the creator of ChatGPT

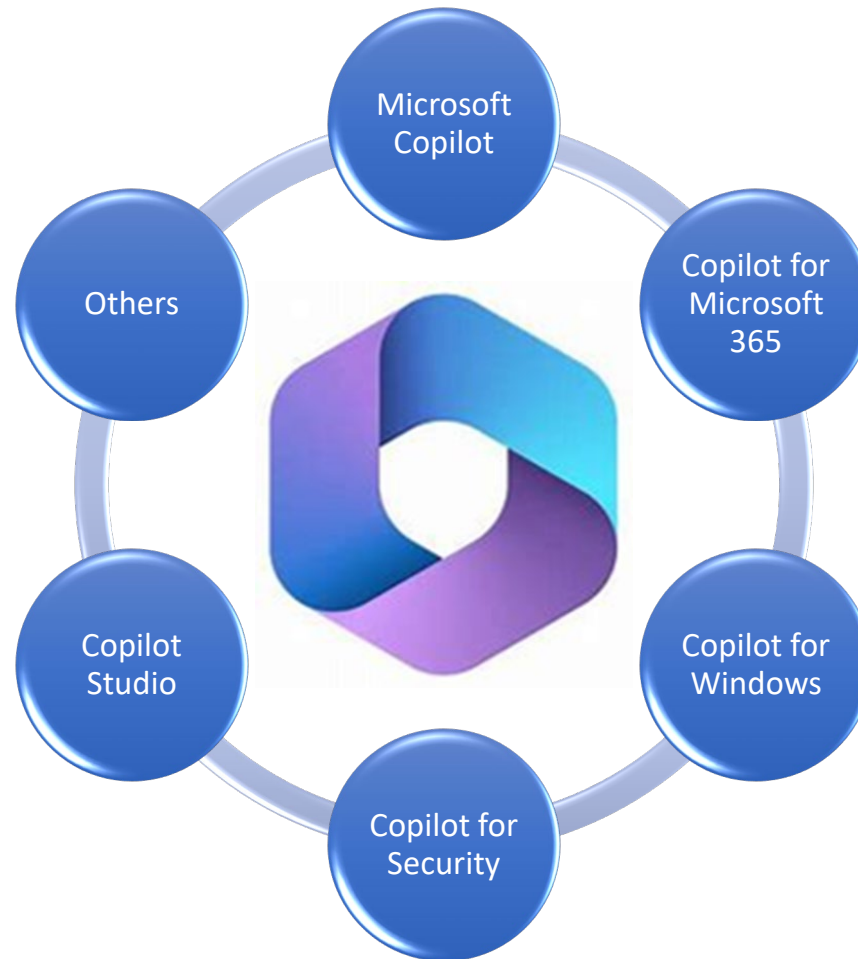
There are multiple Copilot products

Copilot for Microsoft 365 requires Business Standard, Premium, E3 or E5 subscription

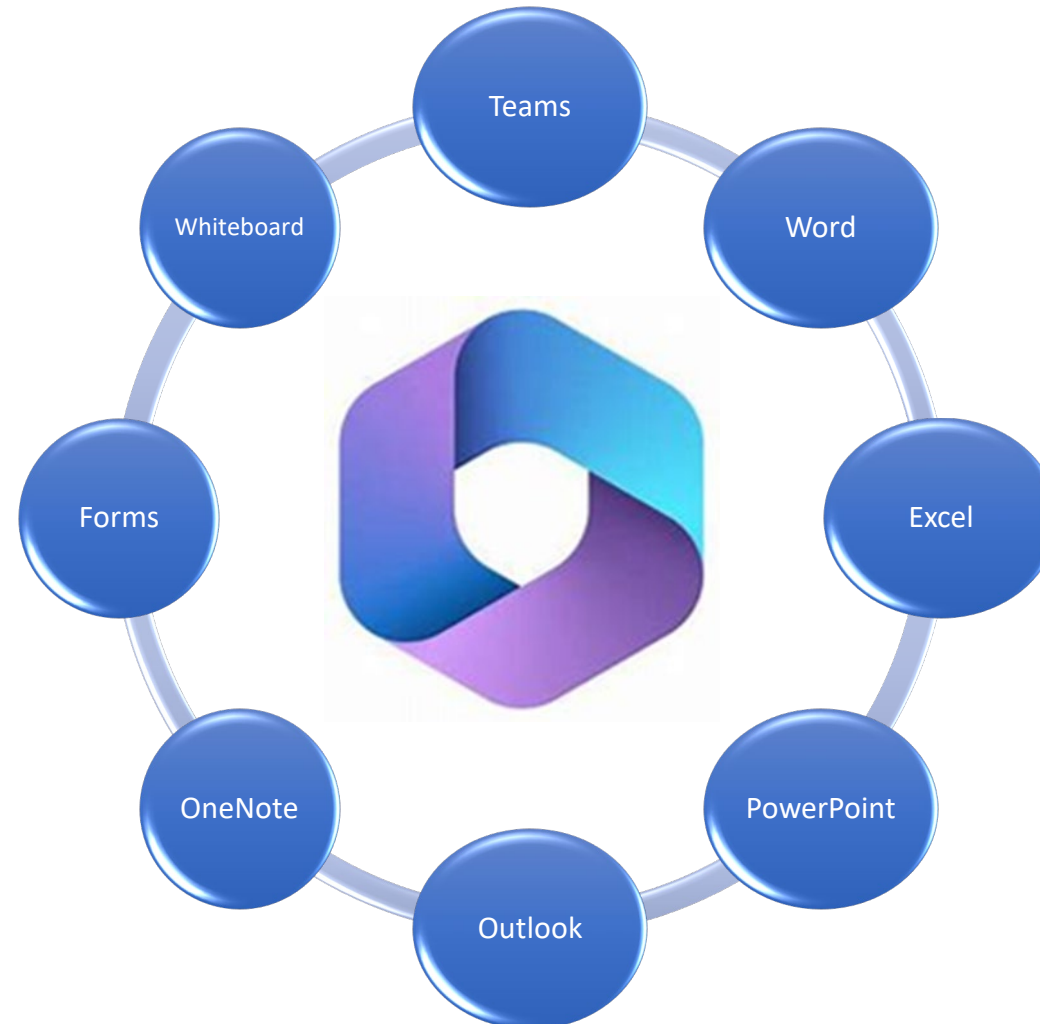
Copilot for Microsoft 365 is \$30 per user, per month license fee

Microsoft [Commercial Data Protection](#) secures your data privacy in Copilot

Microsoft Copilot Apps



COPILOT FOR MICROSOFT 365





Copilot for PowerPoint

- Create new presentation slide deck w/ images
- Summarize an existing presentation
- Reorganize an existing presentation
- Integrate your company's branding into a presentation

Copilot for Excel



- Only works with data formatted as a table
- Create table column formulas
- Sort and filter table data
- Analyze table data



Copilot for Outlook

- Compose new email messages
- Compose email replies
- Analyze / summarize email messages



Copilot for Teams

- Summarize meeting or call data in real time
- Summarize chat conversations for main points, action items and decisions
- Summarize data across all Teams data; emails, documents, notes, contacts and more

DEPLOYING AI STRATEGICALLY WITHIN YOUR ORGANIZATION



Building Your AI Strategy

Form an AI strategy team

Develop an internal AI knowledge base

Identify and execute specific and manageable AI initiatives

Establish an AI usage policy

Educate your staff

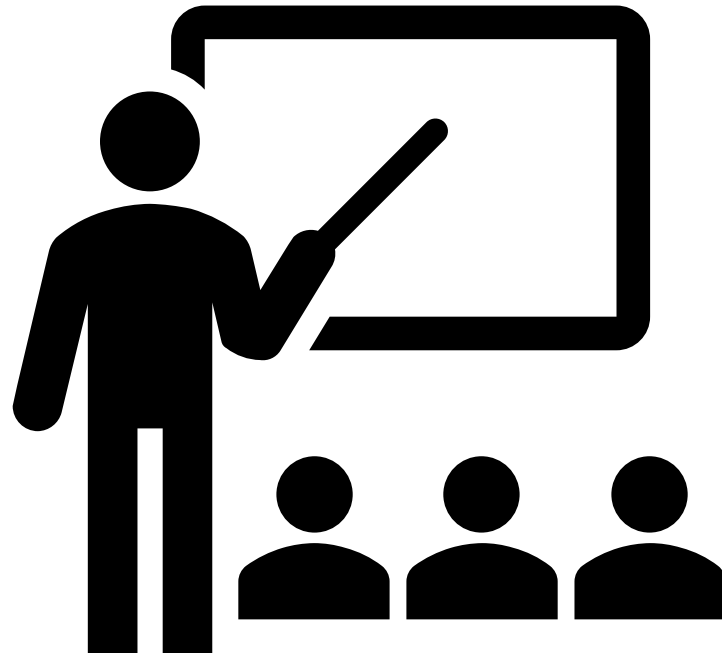
WHAT'S NEXT FOR AI



What is next for AI?

- Stargate from OpenAI & Microsoft - \$100 billion supercomputer
- Agents – Execute specific actions
- Proliferation of private LLMs / SLMs
- Humanoid robots

WRAP-UP



In Summary

- ChatGPT (generative AI) ignited a watershed transformation in information processing
- There is an abundance of applications to leverage the power of generative AI in tax services
- We are very early in this transformation and the transformation will happen at an unprecedented pace
- ***Build your knowledge, build your value!***

Thank you!!!

Let's connect on LinkedIn →

