

Organizational Innovation in Accounting Services: Analysis of Virtual Accounting Offices in Brazil

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Abstract

The study aims to identify the current profile of virtual accounting offices in Brazil through the analysis of the business model of the offices selected for accessibility, considering that there is no specific and exact quantitative about virtual accounting offices in the Council's database Federal Accounting (CFC) in the session "How much we are", item "Statistical data" on accounting organizations. The survey presented the corporate structure, business size, life span of the companies analyzed, location, economic activities and what are the services provided by these companies. This research contributes to the presentation of the technological innovations present in accounting entrepreneurship regarding the transformations in the practices of doing business in accounting. As for the results, it was found through the web search on the Google tool with the keyword "online accounting offices" that of the 76 virtual accounting offices that were analyzed, 21% have activities for the development and licensing of customizable computer programs among the secondary economic activities present in the National Register of Legal Entities (CNPJ), representing business self-sufficiency in terms of support in Information and Communication Technology (TIC) to serve customers nationwide.

Key-words: Organizational Innovation, Virtual Offices, Accounting.

1. Introduction

Accounting has as main objective, in addition to controlling the assets of the entities, providing relevant information regarding the economic, social and productivity aspects of organizations, acting as a support tool for decision making by users of accounting information. (IUDÍCIBUS, 2009).

However, it is observed that accounting in recent decades is undergoing several transformations motivated by technological advances that are changing the routines of accounting professionals both in the accounting departments in large companies and in accounting entrepreneurship, where most of the accounting services are provided for Micro, Small and Medium Enterprises (MSMEs) in Brazil (DA SILVA; EYERKAUFER; RENGEL, 2019).

The technological innovations present in the accounting area are extensions of the innovative and technological tools present in the most diverse sectors of society, such as: software, artificial intelligence, blockchain, cloud computing and several Information and Communication Technologies (ICT) that improve storage information and that allow the transformation of manual processes through automation, reducing time and costs.

For Alves and Matos (2017) the arrival of Information Technology (IT) in accounting allowed the emergence of several mechanisms necessary for accounting information to be generated with greater quality and speed, thus allowing greater agility in business decision making.

In view of the changes in the accounting area motivated by technological innovations, accounting professionals seek to adapt to changes by obtaining licenses for Enterprise Resource Planning (ERP) software, virtual document managers, websites, automated service through chatbots and training on the new technologies and innovations present in accounting entrepreneurship.

One of the organizational innovations that is present in accounting entrepreneurship is online accounting, also called virtual accounting and digital accounting. This is an innovation centered on the business model, that is, on the practices of providing accounting services to customers, with service at the national level, without territorial limitations, considering that customer service is performed solely and exclusively through the internet.

Thus, in view of the above, analyzing the business model of new innovative and technological trends in accounting is necessary, therefore, this study aims to answer the following problem: What is the profile of virtual accounting offices in Brazil? And to answer the research question, the objectives were outlined, and the general objective of this study is to identify the current profile of the virtual accounting offices in Brazil through the analysis of the business model through the content analysis of the websites of the object offices of this research.

This study is justified by the importance of identifying, analyzing and understanding the innovative and technological trends present in accounting, regarding the business model of virtual accounting offices, corporate structure, economic activities, which are the main technological tools used, through analysis of the profile of accounting organizations, observing in which business segments these innovative businesses operate, generating a contribution to the academic community

so that new studies can be carried out, given the relevance that there is incipience when studies related to virtual accounting offices referring to the accounting model business in online accounting.

After this section, the theoretical framework is presented, with regard to technological advances in accounting, through a historical tracing in three stages, past, present and future trends, the scientific methodology, the results and discussion, followed by the conclusion and references.

2. Theoretical Reference

2.1. Historical Evolution of Accounting: from the Past to the Present

Conceptually, accounting is an instrument that provides the most relevant information about companies, useful for decision making by users (internal and external) of accounting information (MARION, 2009).

For Silva (2008) accounting is a science responsible for recording, verifying and analyzing the financial and economic facts related to the organizations' assets. In addition, the author stresses the importance of the study and the practices of control and registration of the administrative and economic acts and facts of the companies.

According to Bazzi (2014) accounting is very old, as there are archaeological discoveries that lead to the emergence of accounting, in essence, concomitant to the beginning of human civilization, where primitive man controlled his wealth through accounting practice, even if in a rudimentary way, through the records in the rocks (rock paintings) and in the hunting of animals where there was in essence the control of the acquired stock.

Schimidt (2000) also defends the emergence of accounting based on archaeological discoveries that go back more than 6 thousand years where primitive man already controlled his wealth, thus highlighting that the origin of accounting counted from the publication is not real of the work entitled *La summa de Arithmetica, Geometria, proportioni et proportionalità* by Luca Pacioli, Franciscan friar, in 1494, in Italy where there was the dissemination of the double entry method, a method used up to the present day for the bookkeeping of companies.

Therefore, it is observed that accounting has existed for a long time and is constantly developing, following the evolution of humanity. Hoss et al. (2012) present the evolution of accounting through a timeline containing 4 main evolutionary steps, being: 1) Empiricism (350 BC) where he started writing through self-explanatory symbols arising from the need that people had to control their patrimonial assets, at that time accounting used drawings and images as mechanisms for

the registration and identification of people's assets; 2) Renaissance (1500), also called the phase of systematization where there was maritime expansion and the consolidation of the bourgeoisie with the need to control their wealth; 3) Rationalism (1900), a time when large companies in the world emerged and there was an expansion of the corporate structures of organizations, consolidating the importance of new areas in accounting and finally 4) Contingentialism (2000) also called the scientific phase that associates the past, present and the future of accounting where information on business performance has a prominent role, associating information technology with the various areas of accounting practice.

For Bazzi (2014), accounting started from the art of primitive man, and was transformed through the techniques of scholars who consolidated themselves in Accounting Sciences, which is an Applied Social Science which, in addition to controlling the assets of the entities, it also interprets information regarding the economic and social aspects of organizations.

2.2. The Profile of Accounting Offices Today

Zwirtes and Alves (2014) highlight that the digital age is a major milestone in the evolution of accounting and that it was responsible for transforming the accounting bookkeeping processes that were manual in the past and that today through the computerized and integrated systems present in the accounting offices make processes automated, with the objective of meeting the needs of users of accounting information, reducing human intervention, time and additional costs.

In relation to the profile of accounting offices today, it is observed that there are two main performance profiles and several branches in each profile, being: a) traditional / conventional accounting offices, which refers to physical offices in which customer service the client is carried out in person, where the client travels from his company to the accounting office to request / receive information or send / receive documentation or vice versa in the *in company* model, where the accounting professional moves from the accounting office and goes to the customer's company; b) online / virtual / digital accounting offices, where there is no face-to-face service and customer service is provided solely and exclusively over the internet.

In the online model, the office can serve more and better with less, that is, with the opportunity to have more clients nationwide, serving better through the speed of sending / receiving information and documentation with the use of online technological tools that it increases the accountant-client interaction and with less structure as to the physical space of the office, because in

this model it is also possible to undertake a *home office* , where the entire office team can be inserted in this work model .

According to Tidd and Bessant (2015) the advances in technological innovations have influenced both the maintenance and the offer of new accounting services to customers. It is observed that this change in behavior comes from the advancement of the market and the emergence of new competitors in accounting entrepreneurship that undertake with highly innovative and technological tools with potential for scale at national level. Therefore external changes also mean that there is internal change as the transformation of models neg idleness of accounting firms today.

2.3. Future trends for Accounting

Regarding future trends for accounting entrepreneurship, it is observed that there is an increase in terms of new business economic activities that will consolidate in the near future, with the need for the accounting professional to seek constant professionalization to meet the innovative and technological demands of the market, example: specialized accounting for creators of digital content, *youtubers*, *streamers*, infoproducers, affiliates and other trends that will emerge in line with technological advances in society.

Therefore, for accounting professionals to be able to meet the needs of innovative and technological companies, it is necessary to have a constant search for professional improvement and transformation of the business model. Given the context, the study by Frare *et al.* (2020) that aimed to analyze the indirect influence of the qualification of accounting professionals on the performance of accounting offices in the state of Rio Grande do Sul through technological innovations, however, they came to the conclusion that the professional qualification of accounting professionals drives innovation technology and this in the performance of accounting offices.

However, it is observed that as technological advances are consolidated in the market, in accounting there will be a growing transformation in business models from traditional accounting offices to models in which there is greater proximity to customers through innovative technological tools. In this sense, Staats and De Macedo (2021) developed a study with the objective of verifying the acceptance of digital accounting in an accounting office in the state of Santa Catarina and concluded that accounting professionals are aware of the changes in accounting entrepreneurship and consider themselves able to act in an automated and online way, that is, adhering to new trends in the accounting market.

3. Methodology

As for the methodological procedures, *a priori*, a bibliographic research on technological innovations applicable was held in accounting. For Silva (2003) the bibliographic research explains the studied theme based on theoretical references already published by other authors and is based on secondary sources, being: books, magazines, periodicals, scientific articles, etc. The present study has a qualitative and quantitative approach based on the search, identification, selection, organization of data, analysis of previously organized contents and presentation of statistical results and results regarding the explanation of specific phenomena related to the profile of virtual accounting offices in Brazil.

It is an exploratory research-survey, carried out in an area where there is little systematized knowledge, accumulated and disseminated in the academic community (SILVA, 2003). In addition, an electronic analysis of the data of the companies object of this study was carried out.

For data collection, research the Internet was held at Google tool, with the primary objective of search for the *websites* of virtual office contabilidade and using the keyword "online accounting office". In this initial phase, data from 18 internet pages were analyzed. After the analysis, 76 virtual accounting offices were identified that were inserted in these 18 pages of the internet, these were selected for the detailed analysis of the content of their *websites* and the search of the CNPJ of these companies to analyze the economic activities, corporate structure, time company life and location, which allowed to identify the profile of the virtual accounting offices analyzed to understand the business model of these companies and disseminate it to the academic community in order to aggregate for new studies on this theme.

4. Result and Discussions

After the search, identification, selection, data organization, analysis of previously organized content, this section presents the results and discussions on the subject studied. Table 1 shows the number of offices analyzed, with anonymity as to the Fantasy Name for the preservation of companies, named in this study as company number 1 to 76, followed by the location of the virtual accounting offices analyzed in this study.

Table 1 – Number of Virtual Accounting Offices.

N	State	City	N	State	City
1	SP	São Paulo	39	RO	Ji-Paraná
2	SP	São Paulo	40	MG	Pratápolis
3	SP	São Paulo	41	PR	Maringá
4	PR	Curitiba	42	RS	Canoas
5	PR	Curitiba	43	MS	Campo Grande
6	DF	Brasília	44	SP	São Paulo
7	RJ	Rio de Janeiro	45	SP	São Paulo
8	SP	São Paulo	46	ES	Vilha Velha
9	SP	Marília	47	SP	São Bernardo do Campo
10	SP	São Paulo	48	SP	São Paulo
11	RJ	Rio de Janeiro	49	RS	Porto Alegre
12	SP	São Paulo	50	DF	Brasília
13	SP	São Paulo	51	RS	Canoas
14	SP	São Bernardo do Campo	52	SP	São Paulo
15	SP	São Paulo	53	RS	Santa Cruz do Sul
16	SC	Joaçaba	54	MT	Sinop
17	SC	São José	55	PR	São José dos Pinhais
18	SP	São Paulo	56	SP	Capivari
19	SP	São Paulo	57	DF	Brasília
20	SC	Joinville	58	RJ	Cabo Frio
21	SP	São Paulo	59	MT	Cuiabá
22	SP	Campinas	60	MG	Belo Horizonte
23	RS	Porto Alegre	61	MG	Belo Horizonte
24	SC	Lontras	62	PR	Curitiba
25	SP	Barueri	63	PR	Curitiba
26	ES	Aracruz	64	PR	Curitiba
27	RS	Cruz Alta	65	CE	Fortaleza
28	PE	Recife	66	RS	Gramado
29	MG	Contagem	67	PR	Guarapuava
30	SP	Sorocaba	68	RJ	Rio de Janeiro
31	SP	Piracicaba	69	SP	São Paulo
32	MT	Cuiabá	70	SP	Franca
33	SP	São Paulo	71	PR	Curitiba
34	MG	Raul Soares	72	AM	Manaus
35	RJ	Rio de Janeiro	73	SP	Campinas
36	SP	Itaquaquecetuba	74	SP	Taubate
37	RJ	Rio de Janeiro	75	SP	São Paulo
38	SP	Brotas	76	GO	Aparecida de Goiânia

Source: prepared by the authors (2021).

It can be seen, based on Table 1, that of the 76 virtual accounting offices identified, 31 (41%) are located in the state of São Paulo and of these 18 offices are located in the capital of São Paulo, representing approximately 14% of the total sample and 58% of the participation in the composition

of the offices of this state in the study. Second, it is observed that the state of Paraná has 9 (12%) virtual offices, of which 6 (8%) are located in Curitiba, the state capital. In all, virtual offices were identified in 15 federative units, which represents 56% of the total federative units in Brazil.

As for the life span of companies considered from the date of incorporation of the company, which is the starting point for formalizing business activities, the extremes range from 1987-2020 .

Table 2 – Number of Companies by Life Time from the Date of Incorporation

Quantitative of companies	Year of establishment	Lifetime (in years)
1	1987	33
2	1992	28
1	1994	25
1	1998	22
1	1999	21
2	2000	20
1	2001	19
1	2002	18
4	2004	16
5	2008	12
4	2009	11
3	2011	9
1	2012	8
7	2013	7
4	2014	6
2	2015	5
12	2016	4
5	2017	3
9	2018	2
8	2019	1
2	2020	X
76		
Average	8 years	
Fashion	4 years	

Source: prepared by the authors (2021).

Based on Table 2, it can be seen that the year in which there were more constitutions of virtual accounting offices was 2016, of which 12 (16%) of the virtual offices analyzed, 5 are located in the state of São Paulo, 2 in Santa Catarina , 2 in the Federal District, 1 in Minas Gerais, 1 in Goiás and 1 in Rio Grande do Sul.

Regarding the Legal Nature of the virtual accounting offices, 5 different types were identified among the 76 companies analyzed, being: 6 (8%) offices are Individual Entrepreneurs (IS); 12 (16%)

offices are Individual Entrepreneurs with Limited Liability (EIRELI); 52 (68%) offices are Sociedade Empresarial Limitada (LTDA); 2 (3%) offices are Sociedade Simples Limitada (S / S LTDA) and 4 (5%) offices are Sociedade Simples Pura (S / S).

As for business size, 59 (78%) virtual accounting offices are Microenterprises (ME), where revenue is limited to R \$ 360,000.00 annually under the Simples Nacional tax regime, 7 (9%) offices are Small Businesses Size (EPP) where the company's revenue is over R \$ 360,000.00 annual limited to R \$ 4.8 million in the current calendar year and 10 (13%) offices are TOO MANY, which means they are companies that bill over of the EPP limit, that is, above R \$ 4.8 million in the current calendar year , and belong to another tax regime, not belonging to Simples Nacional, which can be either of the Presumed Profit or Real Profit, this data was not possible to obtain it because it is not on the *websites* of the companies analyzed.

Regarding the economic activities of the virtual accounting offices analyzed, it was identified that 16 (21%) have activities of “development and licensing of customizable computer programs ” among the secondary economic activities present in the National Register of Legal Entities (CNPJ).

This means that these companies have an Information Technology (IT) team responsible for maintaining the accounting services provided and for providing technological services, representing business self-sufficiency in terms of support in the field of Information and Communication Technology (ICT) for service. to customers nationwide. However, of the 60 (79%) companies that do not have IT activities in the CNPJ, about 6 (8%) offices have a second company constituted with the same main brand of the company followed by the expression “technology” as a technological support company for the primary accounting firm.

The data shows that, even though the 54 (71%) virtual accounting offices that do not have economic technology activity in the CNPJ and do not have a second company of the same brand established in the technology segment to support the primary accounting company, these companies, because they are operating in the accounting business model, also provide innovative and technological services to their clients, however with outsourced technological tools.

Therefore, it is observed that, of the 76 virtual accounting offices, 54 (71%) provide accounting services to clients through outsourced technological tools, 16 (21%) provide accounting services through technological tools developed by the companies themselves and these they also provide software development services and 6 (8%) have a secondary company made up of technology and provide accounting services with their own technologies developed by the secondary company of the same brand.

As for the innovative and technological trends of the market, it was observed that in the offices analyzed, the language used on the website highlights the availability of the offices to meet the new business activities that are aimed at the digital market, as for content creators, *youtubers*, *streamers*, infoproducers, affiliates and other digital ventures.

5. Conclusion

This study aimed to identify the current profile of the virtual accounting offices in Brazil through the analysis of the business model of the selected offices through the search performed on the *internet* by the *Google* tool, where through the analysis of 18 internet pages, 76 virtual offices were identified accounting and a large part (41%) are located in the state of São Paulo. In addition, it is highlighted that the objective of the study was achieved and the problem answered.

The data collected through the *websites* and CNPJs of the companies object of this study allowed to analyze the profile of the virtual accounting offices in Brazil, through the sample identified and selected by accessibility, considering that there is no specific and exact amount of the total offices accounting practices in Brazil in the database of the Federal Accounting Council (CFC) in the section "How many are we" in the item "accounting organizations", including the suggestion to the CFC to develop a broad study in order to identify the national level how many virtual offices are there in Brazil and can publish the data on the agency's own *website* for future research on this topic.

Therefore, it is concluded that, among the accounting offices analyzed, the 14 (11%) that were constituted mainly between 1987 and 2004 refer to offices that belonged to the traditional / conventional business model and that were transformed into the new business model. business through the provision of accounting services solely and exclusively on a virtual basis, with customer service nationwide.

Thus, it was observed that, as technological advances are appearing in the market, accounting professionals are seeking to adapt to changes, in order to be able to serve customers with more quality, without territorial limitations. On the *websites* of the virtual accounting offices, it was identified that the language of communication to clients and potential clients is current in terms of demonstrating availability to meet the new trends of digital ventures such as: accounting for *youtubers*; accounting for *streamers*; accounting for infoproducers; accounting for affiliates, among other service segments that are accounting for innovative and technological trends inserted in the digital market today.

Finally, it is suggested that further studies be carried out on technological innovations applicable to accounting, as well as on organizational innovations in accounting services, given the incipience of studies carried out on innovations that are centered on the business model in accounting entrepreneurship, which limited the research with respect to the specific deepening of the theoretical foundation. Another limitation of the study was to obtain a number of virtual accounting offices in a specific way, considering that there is no database built with this information. Thus, it is additionally suggested that new studies may also be carried out in partnership with representative bodies, both CFC and with the Regional Accounting Councils (CRCs) so that one can build such an important database for Accounting Sciences.

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