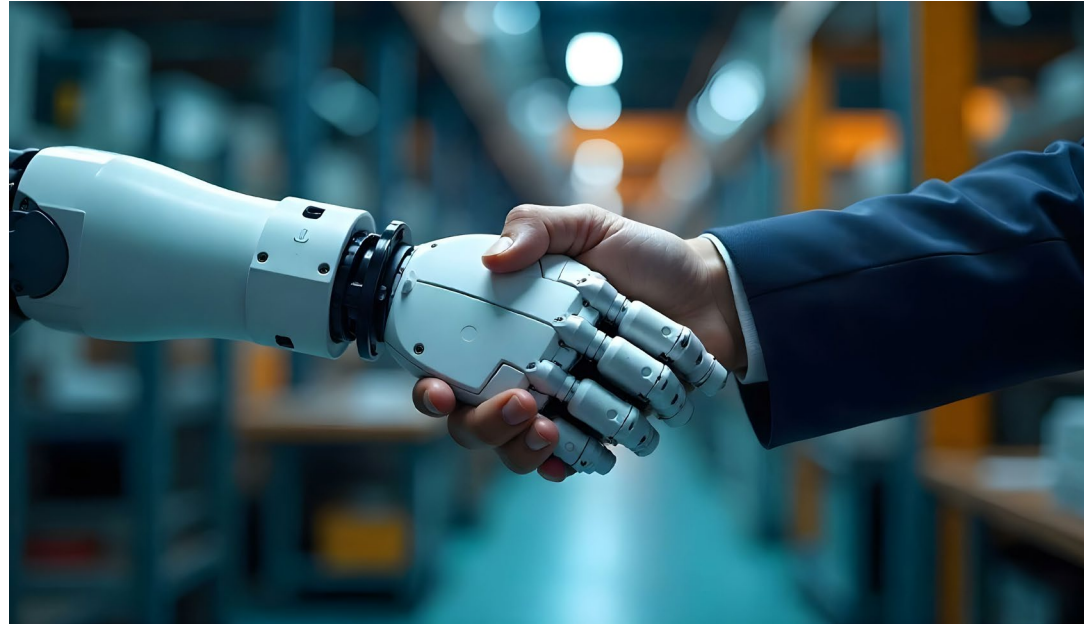# Navigating the AI Frontier Series
Course 1 - AI Revolution: The Big Picture for CPAs

Set your browser to
HIGGINS.CNF.IO
For interactive polling
and Q & A

Presented By

John H. Higgins, CPA.CITP

Rochester, Michigan

Learning Objectives

➢ Understand the fundamentals of AI technology

➢ Recognize the potential of this powerful technology for CPAs

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2

John H. Higgins, CPA.CITP
Strategic Technology Advisor

john@higginsadvisoryllc.com

- 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
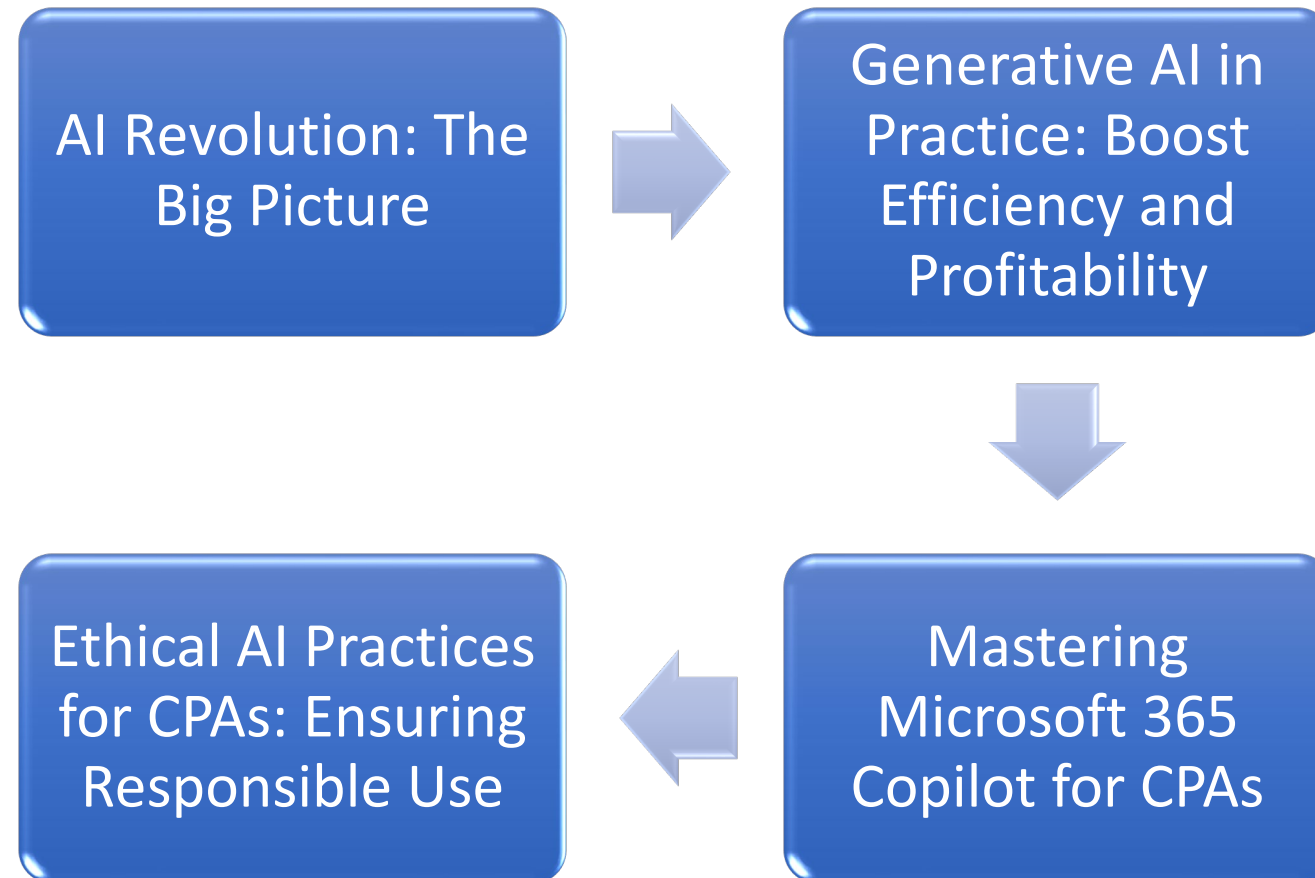- Former National Mid-market Technology Partner - BDO
- CPA Practice advisor Top 25 Thought Leader for the CPA profession
- AICPA Business & Industry Hall of Fame Inductee
- Past Chair of the Michigan Association of CPAs
- Passionate advocate for the CPA profession!

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Navigating the AI Frontier Webinar Series

AI Revolution: The Big Picture

Generative AI in Practice: Boost Efficiency and Profitability

Ethical AI Practices for CPAs: Ensuring Responsible Use

Mastering Microsoft 365 Copilot for CPAs
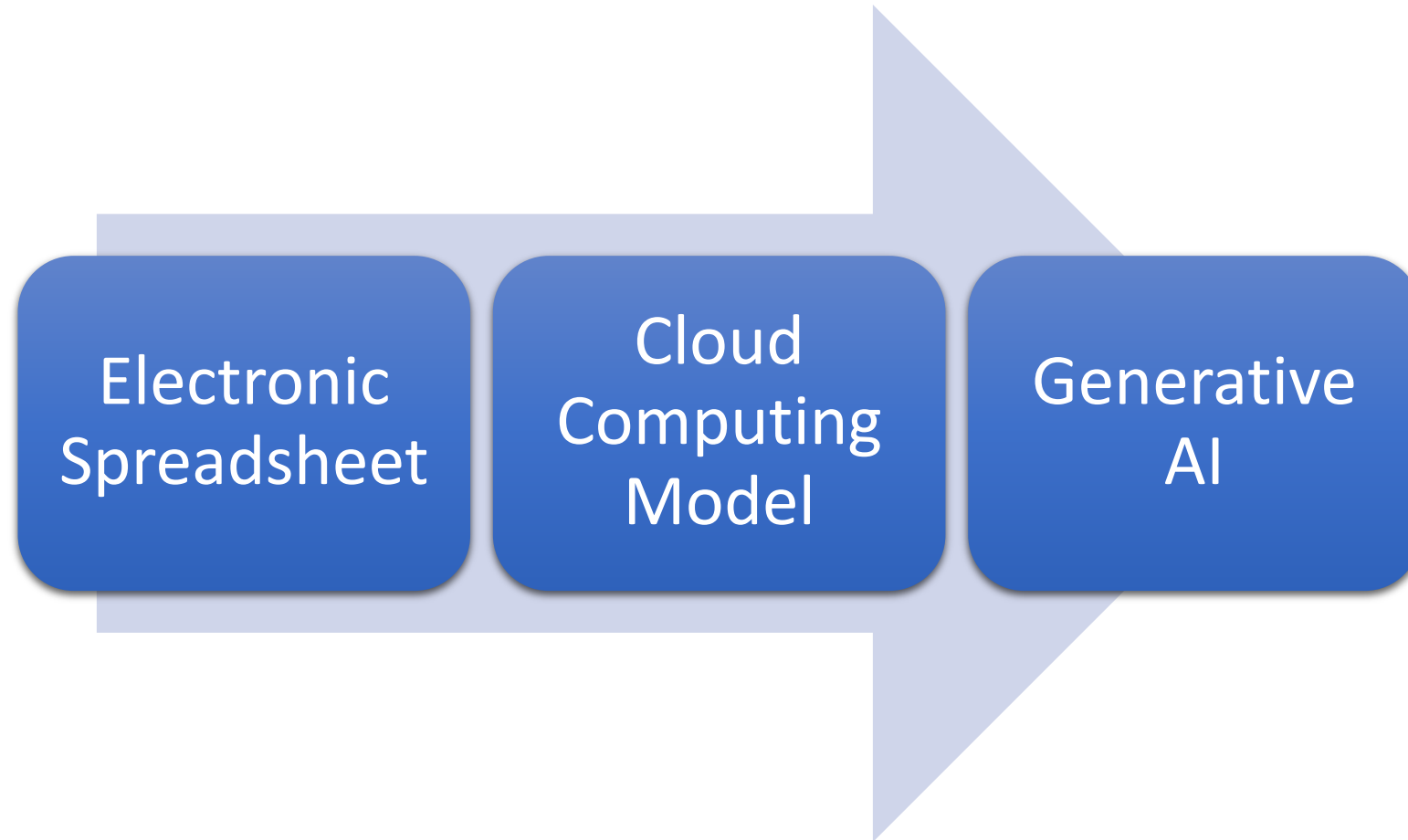
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Presentation Outline

➢ Understanding the Impact of AI

➢ Generative AI and How it Works

➢ Using AI in Accounting / Tax / Audit / Finance

➢ Developing Your AI Deployment Strategy

➢ What Comes Next for AI

➢ Wrap-up

UNDERSTANDING THE IMPACT OF AI

The Big Three CPA Technology Revolutions

Electronic Spreadsheet

Cloud Computing Model

Generative AI

THE IMPORTANCE OF UNDERSTANDING AI

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

Sam Altman

Co-Founder & CEO, OpenAI

"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

"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

Salesforce and AI

This is the first time in Salesforce's 25-year history (2025) that we are budgeting for zero increase in our software engineering team. AND we are projecting a 30% increase in productivity from our existing team!

Marc Benioff, CEO & Co-Founder
Salesforce

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12

Google and AI

Last year (2024) 30% of Google's software development was coded by AI!
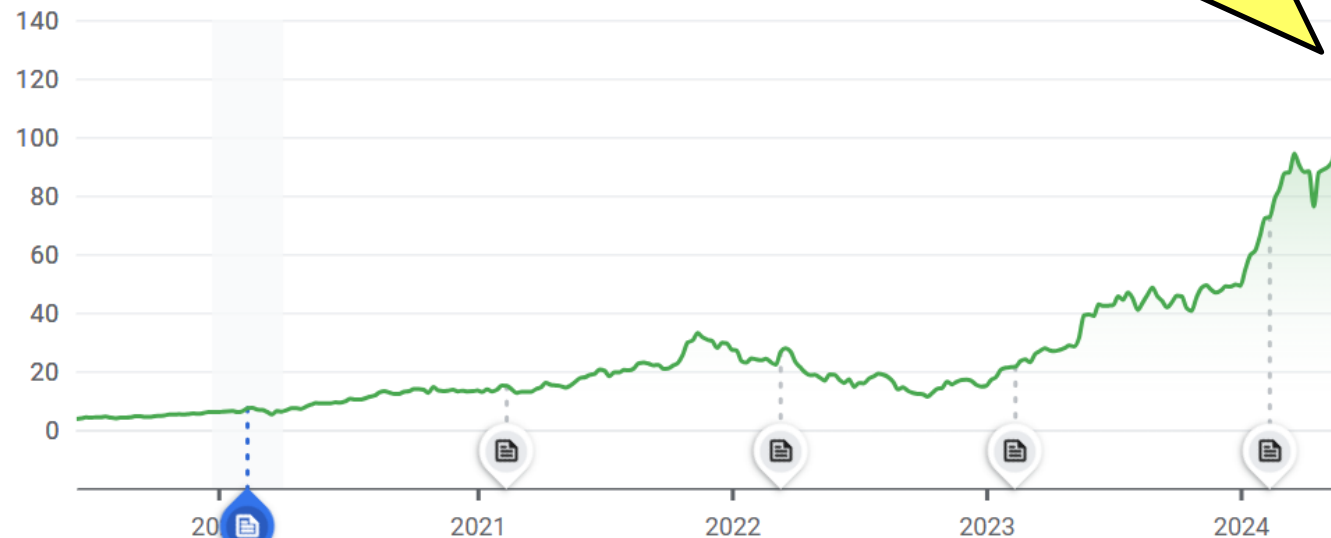
Eric Schmidt, Former Chairman and CEO Google

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Nvidia Stock Chart

2024 explosion in semiconductor chip orders

Apple Stock Chart

Oracle Stock Chart
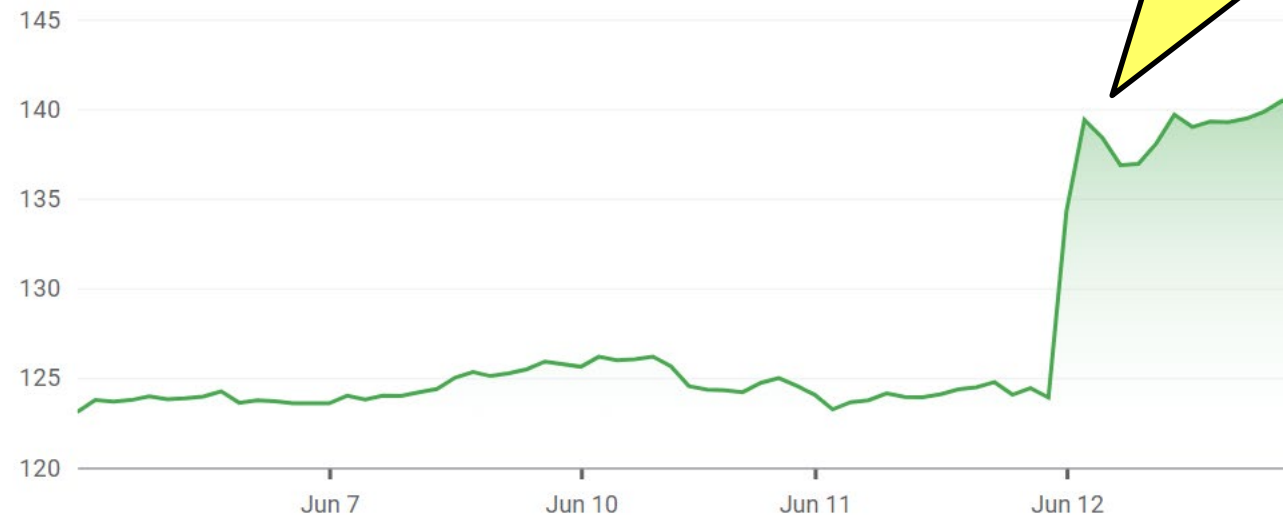
Oracle Corp

$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

Date Oracle announced a joint venture with OpenAI

16

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

AI is important!

GENERATIVE AI AND HOW IT WORKS
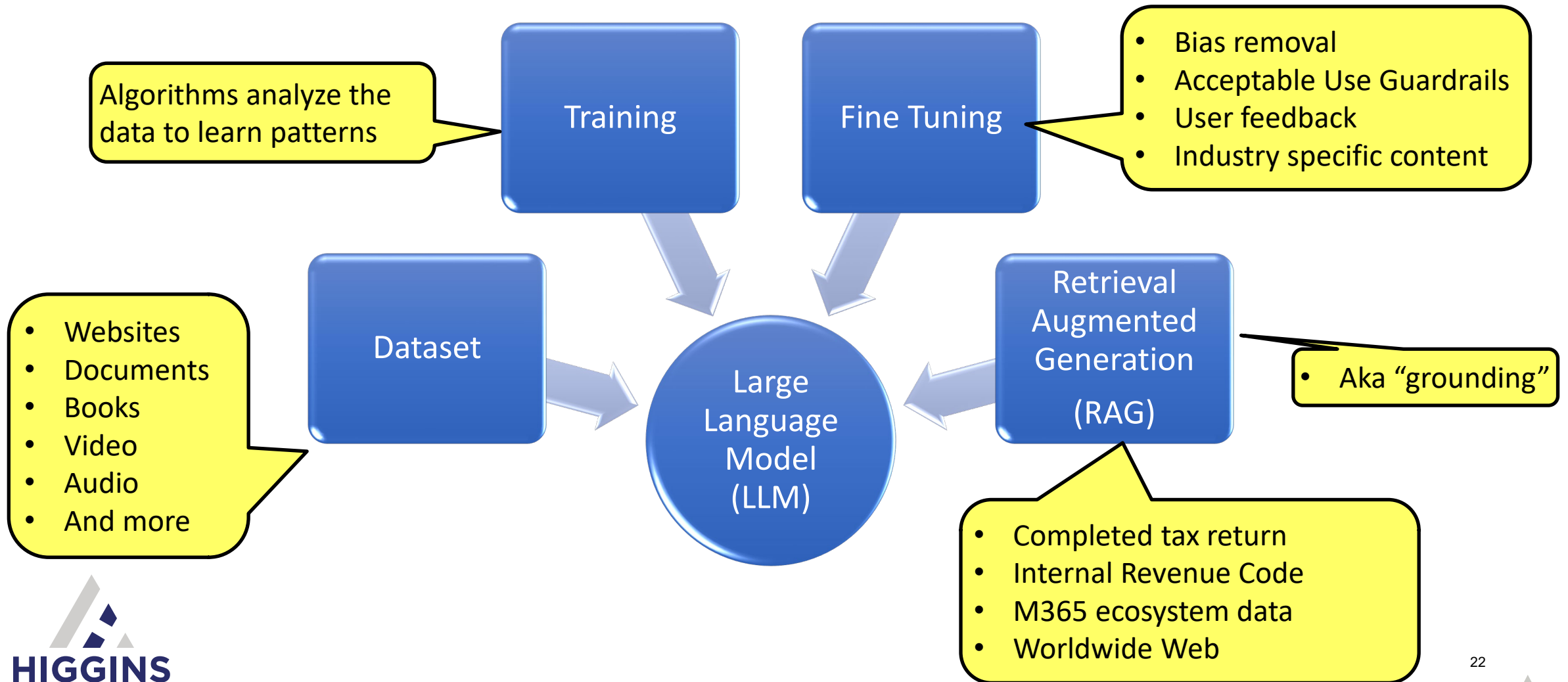
The Three Levels of AI Technology

Narrow AI aka Weak AI	General AI aka Strong AI	Super AI aka Artificial Super Intelligence
• Generative AI • Only form of AI that exists today • Limited to a defined task • Chatbots • Alexa / Siri / Hey Google • ChatGPT / Gemini et al	• 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	• 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

Source: IBM Technology

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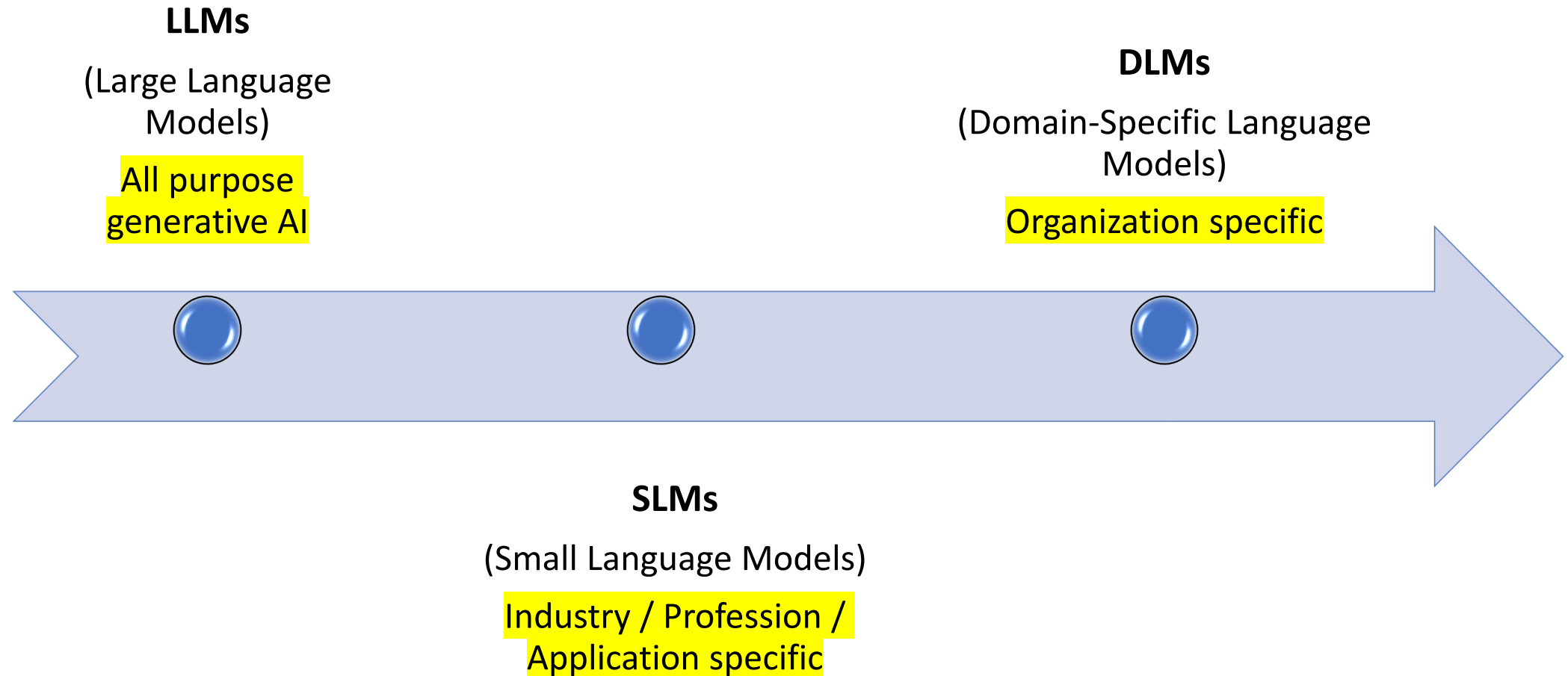ADVISORY, LLC

A Simple Generative AI demo

- ***Prompt***: What is AGI?

- ***Response***: AGI stands for Artificial General Intelligence.

- ***Prompt***: In the context of income taxes.

- ***Response***: In the context of *income taxes*, AGI refers to *Adjusted Gross Income*.

Building a Large Language Model (LLM)

Algorithms analyze the data to learn patterns

Training

Fine Tuning

- Bias removal
- Acceptable Use Guardrails
- User feedback
- Industry specific content

Dataset

- Websites
- Documents
- Books
- Video
- Audio
- And more

Large Language Model (LLM)

Retrieval Augmented Generation (RAG)

- Aka "grounding"

- Completed tax return
- Internal Revenue Code
- M365 ecosystem data
- Worldwide Web

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22

Evolution of Generative AI Language Models

LLMs

(Large Language Models)

All purpose generative AI

DLMs

(Domain-Specific Language Models)

Organization specific

SLMs

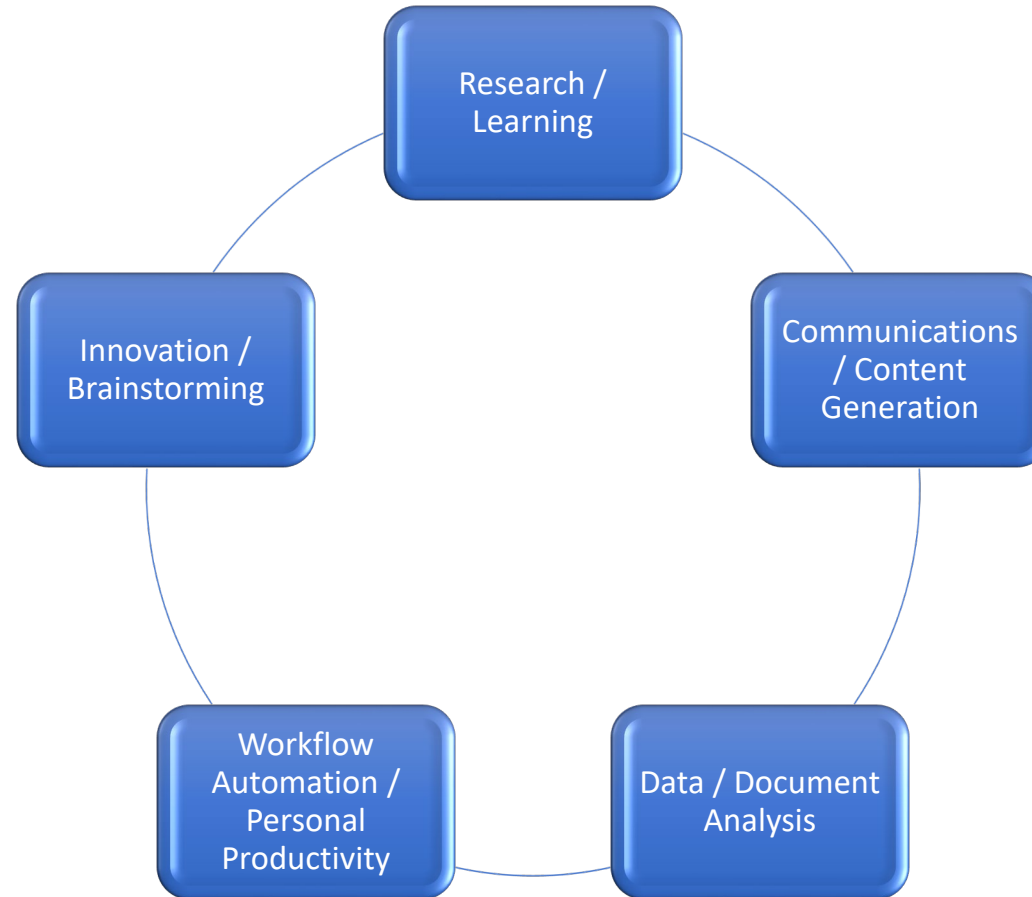(Small Language Models)

Industry / Profession / Application specific

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Popular Generative AI Apps

- ChatGPT (OpenAI)
- Claude (Anthropic)
- Copilot (Microsoft)
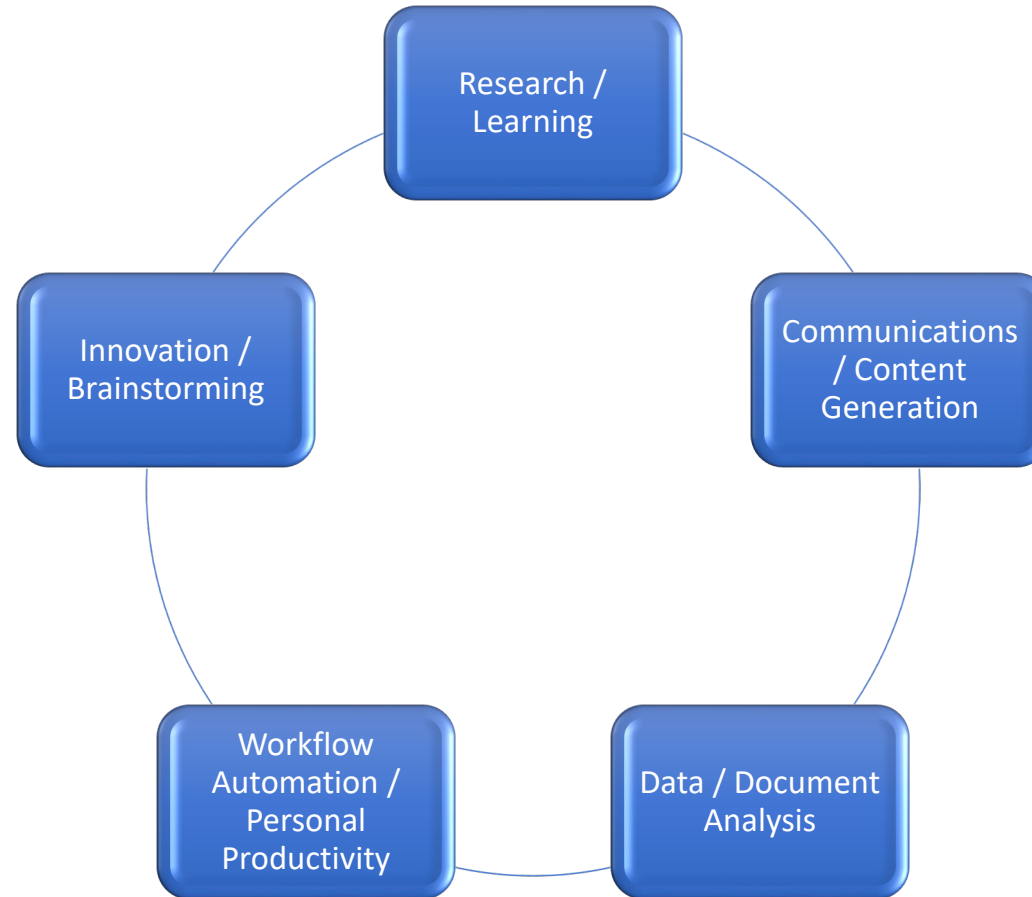- Grok (xAI)
- Gemini (Google)
- Llama (Meta)
- Perplexity

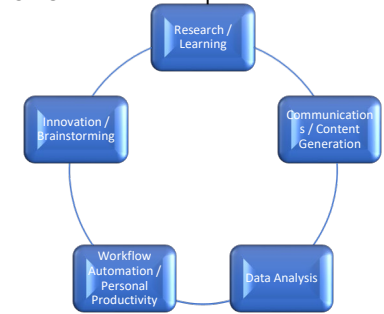# USING AI IN ACCOUNTING / TAX / AUDIT / FINANCE
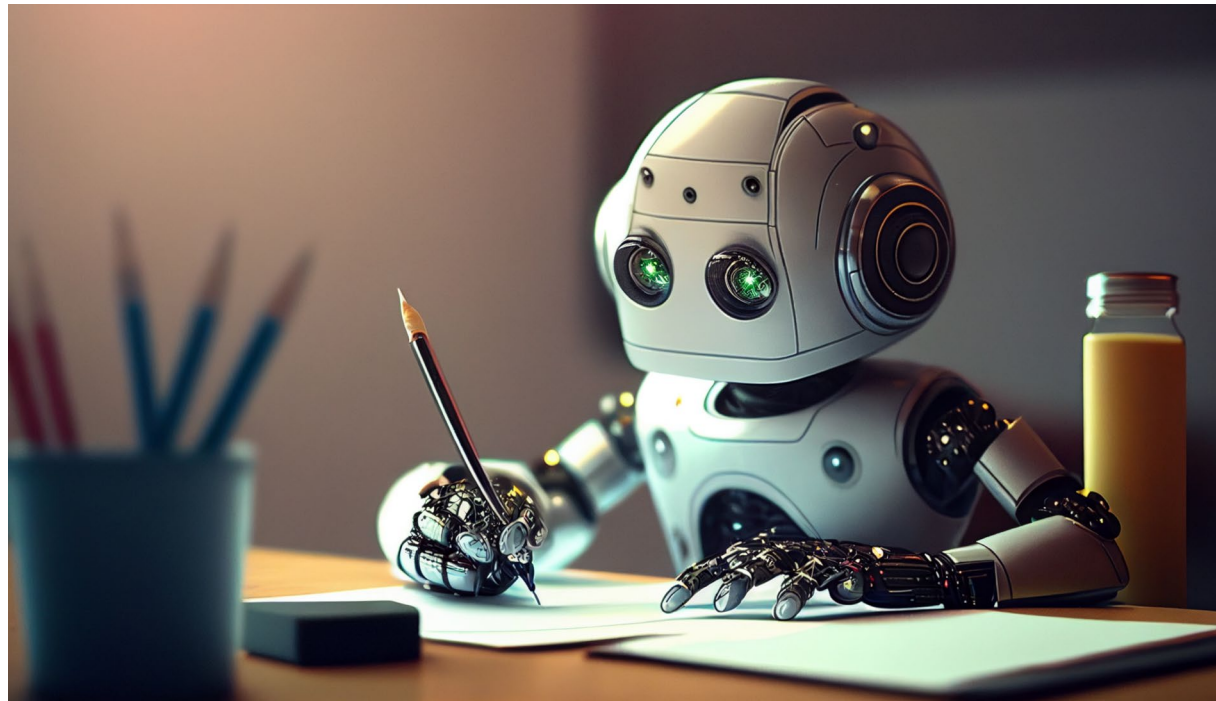
Generative AI Applications in Not-for-profits

Generative AI Applications in Not-for-profits
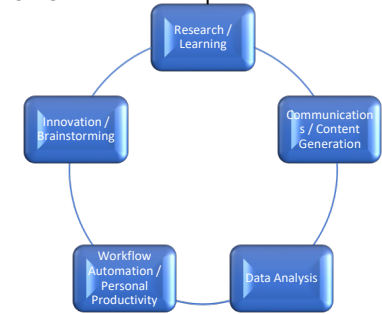
Research & Learning Applications

- Topical research
- "Just in time" software applications training
- Rapidly develop industry knowledge
- Market research

Cash Control Policy

Communications & Content Generation Applications

- **Explain a complex business tx to a lay person**
- **Generate talking points for a client meeting**
- **Develop a presentation of financial statements for the board of directors**
- **Develop an AI usage policy for your organization**

Data Analysis Applications
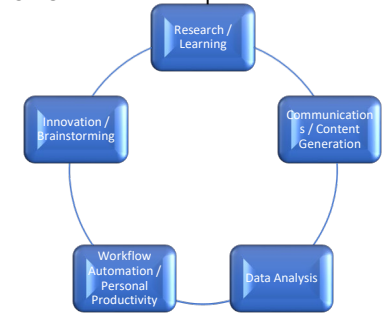
- Analyze financial reports to extract key metrics
- Analyze transaction ledgers
- Analyze contract / lease terms & conditions
- Analyze historical financial data to predict future performance
- Analyze terms of a business transaction to determine the tax implications

Data Analysis Applications
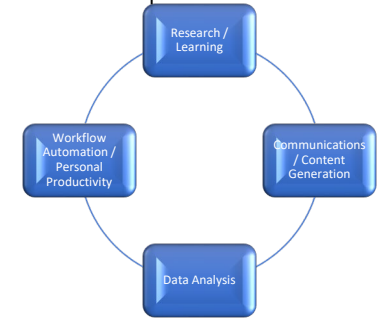
- Analyze financial reports to extract key metrics
- Analyze transaction ledgers for fraud
- Analyze contracts and leases in a financial audit
- Analyze historical financial data to predict future performance
- Analyze terms of a business transaction to determine the tax implications

Workflow / Personal Productivity Applications
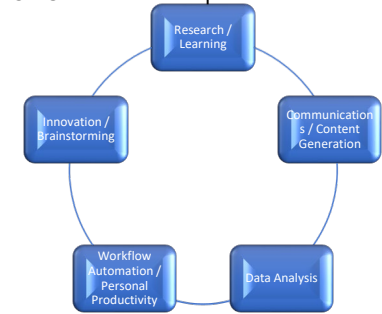
- [Develop Excel macros to automate routine tasks](#)
- Compose / reply / analyze / organize emails
- Document and summarize online meetings
- Develop custom applications to automate routine tasks

Innovation / Brainstorming Applications
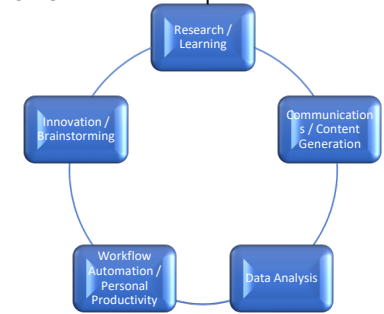
- ▪ Generate ideas to enhance / create new products or services

- ▪ Identify ways to improve customer / client relations

- ▪ Explore new markets
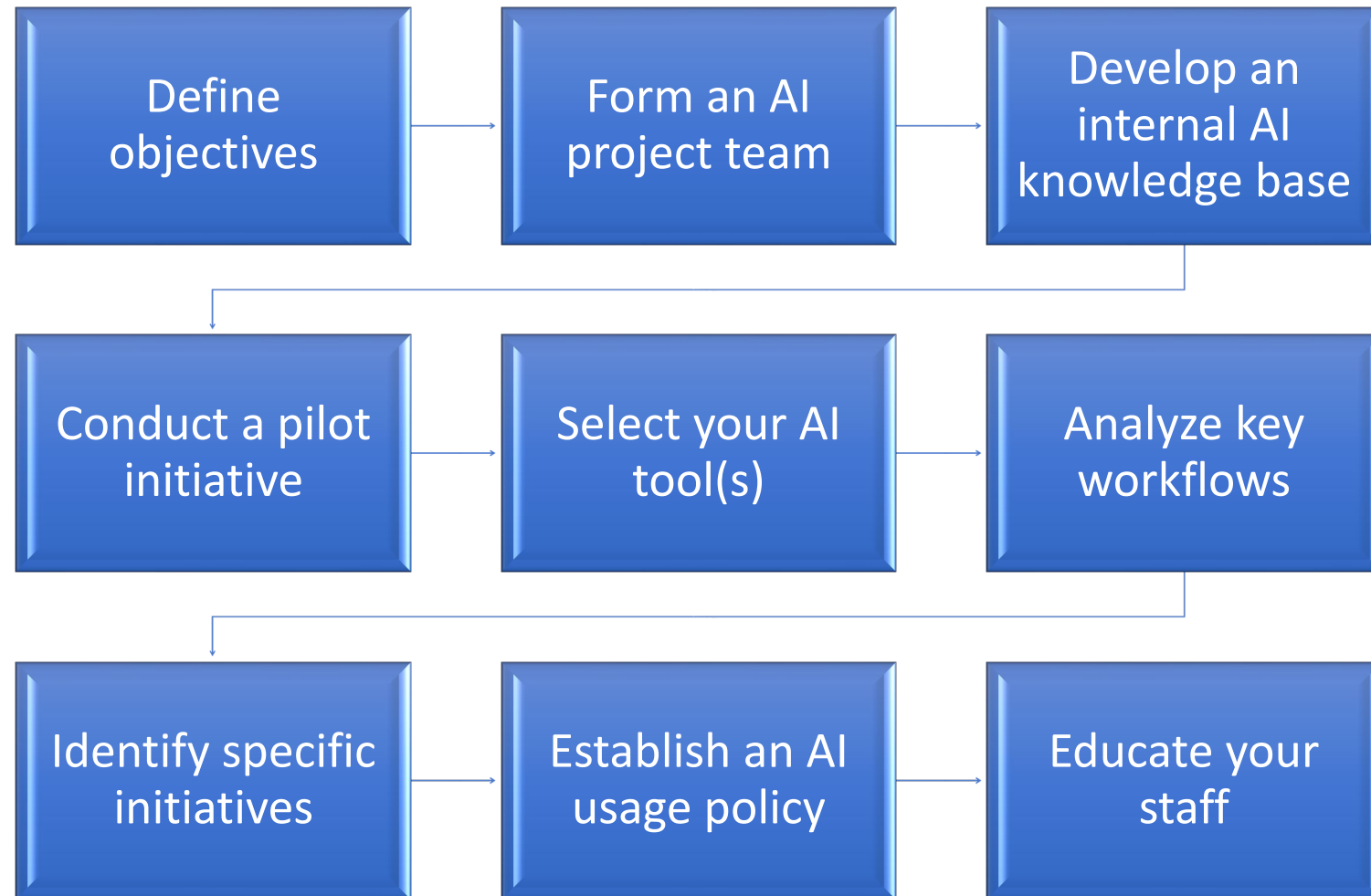
- ▪ Brainstorm new ways to design processes

Vertical Market AI Models

- ### TaxGPT

- ### Thomson Reuters CoCounsel

- ### Blue J

- ### Wolters Kluwer

- ### Caseware AiDA

DEVELOPING YOUR AI DEPLOYMENT STRATEGY

Building Your AI Strategy

Define objectives → Form an AI project team → Develop an internal AI knowledge base

Conduct a pilot initiative → Select your AI tool(s) → Analyze key workflows

Identify specific initiatives → Establish an AI usage policy → Educate your staff

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WHAT'S COMES NEXT FOR AI

AI Technology Evolution

Generative AI (knowledge) → Agentic AI (automation) → Physical AI (digital workforce)
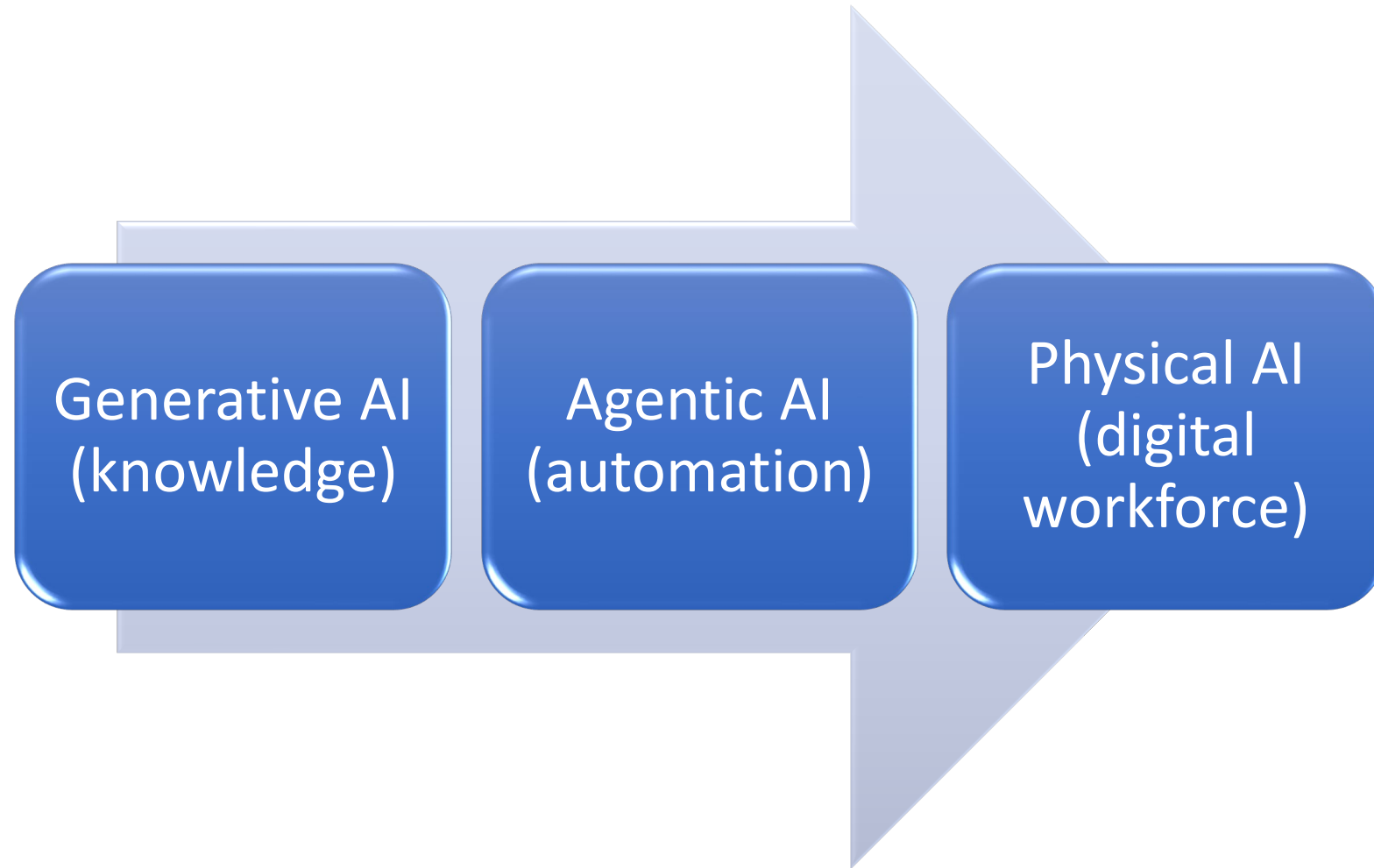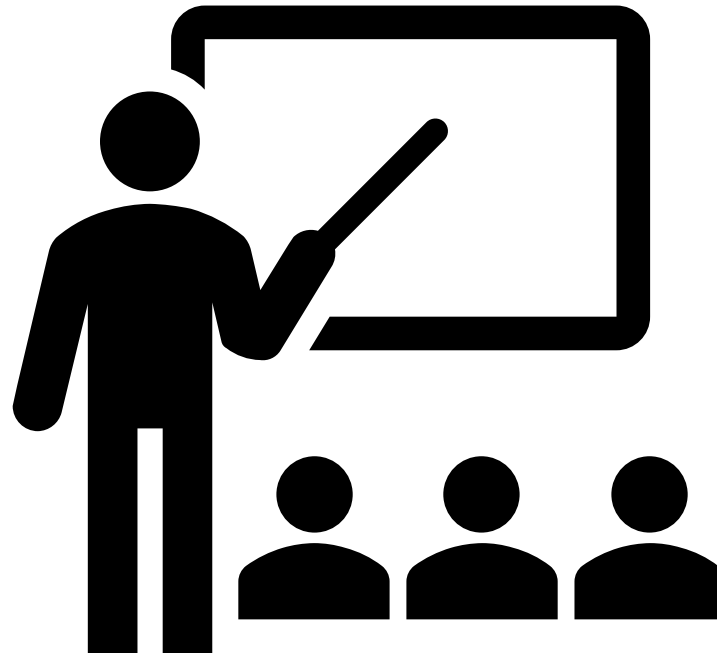
Microsoft and AI

I think the notion that business applications exist, that's probably where they'll all collapse, right in the agent era!

Satya Nadella, Chairman and CEO
Microsoft

WRAP-UP

In Summary

- AI is transforming our profession in real time

- Generative AI boosts productivity and quality

- AI Education is the first order of business

- Establish an AI strategy

- Don't sit on the sideline

Questions ?

Thank you!!!

Let's connect on LinkedIn →