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From the Dec. 2006 Issue

Fall is upon us, and this time of year affords firms a prime opportunity to update their information technology infrastructure and implement new processes to roll into the 2007 busy season. To optimize this opportunity, it is important to coordinate the efforts of all the firm's departments in a methodical way, and the best way to do this is with the development and implementation of the firm's own strategic technology plan that takes into account the needs of the entire firm and not just one department. The firm's technology plan must be developed at an executive level so that the owners and managers truly understand and agree to the priorities. This allows them to have the right management resources in place and ensures that they are onboard before starting.

The firm's technology plan needs to be strategic so that it takes into account the processes and requirements of all departments, as well as moves the firm closer to its overall objectives in better servicing clients. The firm must understand the status of technology in each area of the practice, the next "natural" steps in the technology progression, as well as future technology considerations that must be planned for. Finally, the plan must effectively manage the resources of the firm, taking into account fiscal responsibility and identifying expected returns on technology investments to ensure owner buy-in.

The first step in the process is to have the right team in place, which must include a technology leader that has the ear and financial support of the firm's Executive Committee. This person should be an owner so that they will have the clout to determine and push through IT recommendations. The team must include representation from the firm's internal or external IT support organization so they can validate the ability of the firm's infrastructure to deliver

solutions and to make recommendations as to what needs to be implemented.

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inventorying all equipment including the purchase date (to assist with aging) and all applications to ensure that the firm has adequate licensing, as well as to help identify any redundant applications that should be eliminated. In addition, it is important to list all services the firm currently utilizes for IT support, including equipment maintenance, wireless and Internet broadband providers, and IT training resources. An additional resource for determining the current status is to review the work logs of the IT department and any previous technology committee meeting minutes or firm strategic plans. The purpose of this step is to get everyone quickly to the same level of knowledge and understanding so they can better evaluate future recommendations.

The next step in the process is to evaluate the firm's current client mix and services, and determine which areas are the most profitable, and those that should be targeted from a strategic perspective to optimize the firm's future. For the firm's primary services, it is important to document the current production processes used and to identify today's best practices, either through reading publications such as The CPA Technology Advisor, participating in web-based seminars or attending conferences such as the AICPA TECH, AAA Accounting Administrator's Fly-in, or the technology shows put on by the various state CPA Societies. It can also be very helpful to participate in the IT meetings for the firm CPA Association, if the firm is a member, or to hire an outside consultant who specializes in this area. Working with expert resources can reduce the firm time required to evaluate solutions and provide experience garnered from other firms.

**Develop a Strategic Technology Management Plan for
your Firm**

Have the right team in place.

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The firm should then be able to create a list of prioritized projects based on fixing short-term issues and addressing long-term needs of the firm. It is recommended that firms first create a listing of projects that can solve immediate problems and be done in a very short time period, such as in the “following two weeks” and requiring less than four hours from one staff member. These quick successes provide an immediate return on the firm’s strategic technology planning process and encourage members to participate in the implementation of larger projects, which may take weeks or even months to implement. This list of larger prioritized projects should be broken down into actionable steps, which can usually be accomplished within one week. Have one person specifically assigned to the task to promote accountability, which the strategic technology management team should review on a scheduled basis.

The development of the strategic plan should also include the creation of a technology budget that maps out the implementation of the firm’s strategic objectives. I recommend that all firms document their previous year’s expenditures and drop them into a budget to establish a “baseline” of current IT spending, which can be itemized by applications, hardware, communications and services, and then projected into future years. This will allow the firm to more easily identify and plan for normal replacement cycles, as well as to break out the cost of individual projects. Please note that in addition to the current baseline year costs, it is recommended that firms project out at least two years, but no more than three, as technology opportunities can change significantly beyond that time. This budget should also take into account peer statistics to make sure the firm’s spending is in alignment with industry standards. Today, it is expected that firm’s will spend between \$6,500 and \$8,000

per workstation each year to stay current. Other statistics point to an average

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management

plan and budget, firms can be assured that this will be done as efficiently as possible.

Roman H. Kepczyk, CPA.CITP is president of InfoTech Partners North America, Inc. and works exclusively with CPA firms to implement today's leading best practices and technologies.

Technology

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