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When Kevin Robert, CEO of Wolters Kluwer's CCH, makes a move, he makes a MOVE. In July, CCH had almost no footprint in the small and very small firm market. With its ProSystem fx line firmly entrenched in solid majority of the largest firms (minus the Big 4, most of whom are GoSystem Tax RS customers), Robert obviously saw the other end of the market as a ripe spot for growth. While arch-nemesis Thomson embraces a "we can build it internally better and cheaper" philosophy, the Wolters Kluwer folks are decidedly in the other camp. Nancy McKinstry, Robert's boss and CEO and Chairman of its Executive Board, commented to me last year that she does NOT subscribe to the "if it's a good idea then we'd have thought of it" philosophy and that they (CCH) would acquire best of breed products wherever and whenever possible.

First it was the old CPASoftware unit from Sage. The Pensacola group, founded by Mark Fenimore and sold to Best, I mean ... Sage Software, in 2003, was acquired in early 2006. A few months later, it was the miserably named, but incredibly well-designed BOCDIP product, which ultimately earned the vendor a 2006 Tax & Accounting Technology Innovation Award from The CPA Technology Advisor. Then, on August 1, the company announced the ATX deal. Finally (Dare I say "finally" in a sentence about Robert? After all, when I asked him if he slept, he quipped, "Only occasionally, and I'm learning to do it fast!"), on Labor Day (a holiday — a point of irony certainly not missed here!), CCH announced the TaxWise deal. All told, the company has

tripled its tax compliance user base from about 20,000 users to well over 75,000

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(\$8.70B) and its smaller Wolters Kluwer (\$4.32B) Dutch rival with the two having gobbled up over 20 smaller competitors during the past 10 years. The acquired products, almost evenly divided between the two, met very different fates depending on their acquirer. All of the Thomson acquired products were phased out (industry leaders eschew the commonly used term killed), while most of the Wolters Kluwer target products were slowly re-written and eventually integrated into what is now known as the ProSystem fx Office Suite. SIAM, ePace, PACS, BOCDIP, ExecuSite, etc. — each is now a component of the suite. The Thomson suite, by contrast, has been built from the ground up with complete integration in mind and, arguably, has a better chance at achieving what practicing accountants seek — integration nirvana — where each item of data is keyed once and only once, and everything is in perfect synchronization all the time. But the CCH approach seems to work, too. And now, as Robert begins his storm attack on the small firm end of the market, we'll see if he can make it work there.

I spent the day with Robert and his executive team two weeks ago (to the day) and was again impressed with their depth of knowledge regarding the practice of public accounting. I was also (again) impressed with their commitment and reported hard work and their dedication to expanding and refining that knowledge. I'm sure Robert was more than a little bit uncomfortable when I (two weeks before the announcement) asked him directly, "Are you going to buy TaxWise, too?" I didn't expect an answer as I know full well he couldn't give one, but I did want him to know we were watching and studying the strategy.

At the conclusion of that meeting, I was asked for my opinion. I shared that I was thrilled to see CCH entering the "real world" of public accounting: The world of 10 or fewer people in an office. The world where write-up, payroll and tax bank products make up the bulk of fees. The world where two-thirds of the practices are bookkeepers, enrolled agents, licensed public accountants,

public accountants, business service specialists, payroll processors and tax

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travel to a user conference every year. We love technology when it directly impacts our productivity. We don't buy stuff just because it's new and shiny. [Note: Well, actually I do, but I'm speaking metaphorically here! Smile!] Keep listening, learn and implement fast. And remember, 85 percent of us have revenues less than \$500K, so keep our prices LOW!! ☐

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Mr. LaFollette is Executive Editor of *The CPA Technology Advisor*.

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Technology

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