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Many in the tax and accounting space were, as is their nature, skeptical, and more than a few were concerned about the security implications of client data being outside of the firm's physical control. These were legitimate questions, of course, but professionals soon realized that their data was often safer in a secure and encrypted data facility than it was in their office, where fire, theft or natural disaster could wipe it out.

The result of this eventual, if reluctant, embrace of remote data tools is that in 2010 there are now web-based options for virtually every professional tax and accounting application. Likewise, while many professionals scoffed at the business value of social interactive sites, a few found ways to use Twitter, LinkedIn and Facebook to their advantage, and are now counseling their peers on how to achieve the same digital success.

Some Brief Definitions

The term SaaS is still not an automatically recognizable acronym by many professionals,

even if they may be using it. Simply put, Software-as-a-Service is a different

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Another acronym that's been around for a couple of decades is ASP, or application service provider. It is a form of SaaS, but one through which traditional, non-web-based programs are offered through a secure hosted network.

Web 2.0 is a much more modern phenomenon, but with a less specific definition. Where basic (or Web 1.0) websites offer information, news and other resources, Web 2.0 sites offer some form of interactivity and collaboration. Facebook and Twitter are often pointed to as examples, but Web 2.0 extends to online banking, blogs, wikis, RSS feeds, GoogleDocs and many other personal and professional applications. They can also be tools, gadgets or widgets that are add-ons to an otherwise static website, creating a more dynamic and useful environment.

The Benefits

The SaaS model holds many benefits for both users and vendors. These usually include anytime/anywhere access, client collaboration tools, and relief from having to install the programs and keep up with updates, since all of this is handled on the back end by the software vendor. Firms can also ramp up very quickly, adding more users or system functions and modules, usually within a few minutes. For the technology vendors, there is no longer a need for shipping, printing and CD costs.

Chicago CPA Jody Padar says the benefits she gets the most value from come in the following order: Client collaboration, anytime/anywhere access, no IT headache, and the savings of her professional time.

- **Client Collaboration**

With a web-based or remotely-hosted program, options such as client portals are often available that let the professional firm share documents and other information with their clients. This is a great productivity boost for tax engagements, but also to other client services.

- **Anytime/Anywhere Access**

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generally keeping up with detailed technological issues and other IT stuff is not an expertise they have in-house. So they either waste time troubleshooting it themselves or hire an outside consultant. But with SaaS, almost the entire program is on the vendor's secure servers, so there's little if anything to install, and users can access many SaaS programs through their web browser.

- **Time Is Money**

The lessened IT responsibility is probably a greater benefit to small and mid-sized practices like Jody's, because every hour spent working on IT stuff is an hour that can't be billed.

The SaaS model offers many more potential benefits, depending on the particular program and the firm. For accounting programs, one of the emerging areas is increased integration with other online systems and data, such as linking live banking account data into the financials for more automated reconciliation. And for web-based professional tax systems, direct integration with advanced online research tools is now standard.

Web-based programs for small business accounting is also a fast area of technology adoption, providing business owners and managers with many of the same benefits above, while allowing their professional accountant to access live client accounting data, which can greatly ease write-up tasks and remove the need for data synching or transfer. Look for our 2010 review of SaaS small business accounting products at www.CPATechAdvisor.com/go/2784 and in our June issue 2010.

Web-based programs are also more likely to offer mobile applications for smartphones like the iPhone and BlackBerry, allowing users to access some, or even all,

of their program data while visiting a client's office, eating lunch,

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own Scott Cytron has been helping tax and accounting firms use social media strategically, and writes frequently on the topic. (See Social Media in Accounting Firms: www.CPATechAdvisor.com/go/2609; and Leveraging Social Media to Build Your Business: www.CPATechAdvisor.com/go/2335.)

Looking to the Future

As technology invariably marches onward, the SaaS model will gradually become the predominant way we use computer programs for our professional and social lives. From there, it will be just a very short step to the full cloud-based infrastructure, where all of our data and programs are hosted. Yes, it can seem a little scary, but reliance on technology is not necessarily risk-prone, so long as proper security and rules are maintained. The benefits will far outweigh the risks, especially in terms of professional productivity.

SaaS Programs Available for the Professional Tax & Accounting Practice

Professional Tax Compliance/Research/Planning

- [CCH ProSystem fx Tax SaaS](#)
- [Drake Software](#)
- [Intuit ProLine Tax Online Edition](#)
- [Orange Tax Suite Pro](#)
- [Thomson Reuters UltraTax CS](#)

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www.CPATechAdvisor.com/go/2354.

(Please also note that we will be covering document storage products in our upcoming July 2010 issue.)

Engagement

- [Thomson Reuters Engagement CS](#)

Trial Balance

- [Thomson Reuters Trial Balance CS](#)

Practice Management

- [CCH ProSystem fx Practice SaaS](#)
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Time & Billing

- [AccountantsWorld Practice Relief](#)
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Payroll

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Technology

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