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John Higgins • Mar. 27, 2012

This is the seventh year I have been invited to prepare this review of document management systems (DMS) for *CPA Practice Advisor*. So I thought I would start out my journey for this year's assignment by going back and reading some of the reviews from the prior years.

One of my first observations was to see that 50% of the systems reviewed this year

at large. The tremendous success of "cloud" solutions is the result of the compelling value proposition provided.

Enough about the past, let us take try to look into the future direction of DMS solutions. The evolution of DMS over the past ten years has been slow but steady, which is just fine because it takes time for a firm to implement all of the extended functionality. There are three clear paths that the DMS systems will likely continue to focus on in the coming years:

1. **SaaS** – Moving to a SaaS (software as a service) model deployed through the cloud. These solutions fall into two camps; web based and web enabled. Unfortunately, we don't have the space to get into a detailed discussion of the differences. For now let's simplify the differences; Web based software is designed from the ground up to be run through your internet browser. Web enabled, on the other hand, means that the software is run through a traditional client server model via the internet. Either format can be an effective solution. However, as the move towards "everything web based" continues to progress, those systems will have a better platform from which to establish integration with other cloud bases systems.
2. **Client Portals** – Many of the DMS vendors have been offering integrated portal solutions for a while now. What is changing is that many firms have been to embrace the portal in large numbers. The result is that it is putting more focus on the portal features by the vendors. I think we can expect to see the client portal functionality continue to progress nicely in the coming years.
3. **Workflow Software** – This application has been embraced at a slower pace than the portal. However, the impact on the efficiency of the business processes can be even more significant. With the growth of cloud computing, we are seeing an important shift in the information systems paradigm. The shift for accounting and tax practices is in the form of extending workflows to clients. The portal application facilitates this for exchanging files back and forth. The workflow

software facilitates this by managing the flow of engagement and document

easily bring documents and other files down to a tablet form the DMS would really help accelerate the adoption of DMS. Think about your daily work activities and how many times it would be beneficial to carry something as portable as a tablet device and be able to view and annotate documents with touch technology and then upload them back to the DMS. Just having this ability for team meetings in the conference room is enough to justify the cost of the tablet investment, in my opinion. Hopefully, the vendors will develop this functionality over the next couple of years.

We have discussed the past and the future of DMS solutions, now let's turn to what we have available today with our 2012 reviews. We are continuing to use the same review criteria this year, as described in the following paragraphs. In addition, we have added a new feature of including a case study for each solution from a firm that has successfully deployed the application.

I really enjoyed talking with practitioners who have been through the implementation process, because it provides a constant reminder that success depends as much on attitude, effort and culture as the software's capability itself. Be sure to read the case studies to pick up some useful tips about the benefits achieved and the lessons learned.

Evaluation Criteria

Core Product Functions and Features

- Overall ease of use and intuitiveness of the application
- Ability to upload files easily
- Configurable metadata for cataloguing documents and files
- Reporting tools

Document Workflow

- Tax software integration

- Check-in / Check-out – control simultaneous access and editing of files

Special Features

- Integrated client portal
- Integrated scanning and document recognition
- Browser based
- SaaS / hosted option

In addition to rating the applications on each of the attributes listed above, I have included a "best firm fit" with highlights of strengths and potential limitations, followed by a case study that documents how one firm is using the system in a "real work" environment.

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