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When people say accounting, the word invokes thoughts of traditional bookkeeping, payroll and write-up programs, which are often grouped together and referred to as client services. While higher level tax, audit and consulting services have become the mainstay for most firms, the root of the traditional write-up practice remains in virtually every firm today and is often the way that firms are introduced to new and emerging clients. While these services are perceived to be lower value by the owner group, there are methods to optimize profitability on client services in-firm as well as transition these services externally at higher margins.

Most firms in the past utilized a dedicated write-up package that also included features such as after-the-fact payroll, depreciation, and the ability to consolidate reporting for multiple entities. While there are many stand-alone programs, vendors such as Creative Solutions and CCH have “suites” of products with these capabilities, which also integrate write-up data with their other applications, including audit, tax and document management programs. Integrated suites can streamline processes by transferring data electronically, rather than re-keying. For firms without a dedicated write-up product in-house, small business accounting products have become the leading tool, particularly QuickBooks, which is estimated to be the product used and supported by the majority of client firms today for both internal write-up and external client support.

Many firms shunned QuickBooks for write-up in the past because of its lack of financial statement formatting capabilities or because of negative experiences with clients that completely messed up their books, with the firm's bookkeeper

citing QuickBooks' lack of controls as being the reason. I maintain that

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have the firm supporting a variety of products, and multiple versions of them, many of which are no longer supported. Firms should evaluate whether a dedicated write-up or off-the-shelf product is best suited to their client base. If a firm has a higher volume of clients where they do traditional in-house write-up and they also do the financial reporting, taxes and consulting services, those tools integrated with their accounting suite may be a better choice. If they are doing a limited amount of monthly write-up and doing more supporting of external applications, it would be better to support the product that the client is using. The key is to minimize the number of different tools so the firms can standardize training and support.

Today, I see the majority of small businesses utilizing QuickBooks for general accounting, while those clients needing inventory modules would also include Peachtree. The biggest issue with supporting QuickBooks within the accounting firm has always been in dealing with multiple versions of the software, in which case I recommend that firms only support the current or the two most recent versions. This can be promoted to clients by requiring that they upgrade, and with the firm providing a service to purchase and install the software at a client site as well as providing education on the updated features.

Transferring data to and from the firm is another area that has been optimized by today's digital capabilities. For firms where the client wishes to drop off and pick up their data, the most reliable physical media has evolved from a floppy, Zip disk or CD, to today's USB memory sticks. Innovative firms have placed their logos on these USB drives and provided them to clients so they can have a daily visual reminder of their accounting firm as they backup data. To promote secured usage of these devices, firms are transitioning to devices that have built-in encryption and require a password. Secured USB devices

such as the Lexar ThumbDrive Secure hold up to 512MB of data and cost roughly

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up by the firm's IT person, the cost to properly build and secure such a site is prohibitive when compared to solutions such as Creative Solutions' Net Client, CCH's ExecuSite and those provided by commercial services. In addition to data transfer, there are also services such as GoToMyPC and Remote Accounting Solutions that allow the firm to actually connect to the client's site through the Internet to review and update information.

The next step to optimizing client service is in the firm's ability to transition an internal write-up client to external controllership services. Many firms have found that clients want to be able to handle the daily entry of transactions and, in most cases, can handle basic input with direction of the firm. Firms should be proactive in asking their clients annually if they want to bring their bookkeeping in-house and to let them know that when they are ready, that the firm will assist them with selecting and implementing the application. By virtue of the firm setting up the system, transitioning the data, and providing training, the firm is positioning itself to provide controllership services.

Whenever a client brings their accounting in-house, it is advisable to have the firm review the client data at least monthly until the client becomes comfortable with the system. Many clients that transition their accounting on their own end up with a mess, leading to higher "clean up" fees and dissatisfied clients at year-end. To counter this, the firm can promote controllership services where they will review the client's data and educate them on corrections, as well as be available for questions. When the client has two months in a row without adjustments, they can then work on their own. What most firms find is that they have then transitioned the bookkeeping function to that of controllership, which is at a higher rate and the firm has still maintained advisor status with the client.

Another step in optimizing client services is to provide education to clients

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These providers can help firms rapidly, understand and document best practices in a matter of hours, which can be used for training and support. These programs also allow firms to be made aware of competitive products such as Microsoft's Small Business Accounting and integrated document management capabilities such as FileCabinet NG and Personable SourceLink.

Client services will continue to be an important aspect of providing accounting advice to clients. By understanding and optimizing the delivery of these types of services, firms will be able to continue to function as the trusted advisor.



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