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discarded technology that is about to emerge technology far away

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One year ago, I wrote about [Emerging Technologies](#) with the following introduction:
“There are four types of technology:

- - Technology we use now
 - Technology we have discarded
 - Technology that is about to emerge
 - Technology far away”

As the years go by, these four groupings still classify the never-ending changes that technology delivers to us in new and improved ways. A key question is this: Why should we be interested in what's next when we are so busy dealing with what needs to be done today?

The answer for tax and accounting professionals is to explore the world of opportunity flowing in every direction, which includes innovative technology. As this fire hose is never turned off, we must set an arbitrary limit on what will be discussed here. More information can always be located doing simple searches, asking friends, and by reading this publication in all of its emerging formats.

Here are the selected areas for this year:

- - Virtualization
 - Tax document automation
 - Streamlined sales tax
 - Mobile access — smart phones, Gobi, 3G

- Cloud computing — mesh, etc.

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can acquire new computer hardware at new cost. An alternative answer is Virtualization. Virtualization is the software application that enables multiple “virtual computers” to exist within a single hardware component. This capability relies on the use of intelligent software to manage the data flow among servers, storage subsystem and the application.

There are no limitations on what OS can be set up in the guest operating system — VISTA, Windows XP and others can coexist. The advantages evolve from the capability to effectively use the physical computer resources to support greater throughput and speed of execution. Management tools that can handle both physical and virtualized systems are growing. With the depressed economy, demand for savings are forcing companies to take a closer look at how they could take better advantage of what management tools can do.

Randy Johnston wrote in his recent article, [Why Virtualization?](#), “Reliability, greater speed, less expensive, business continuity, test environment, safer to update applications and more. What’s not to love about virtualization?”

A few of the realities about uses of **VIRTUAL MACHINES**

- Link your computer to almost any application.
- Keep old machines rather than buy and install new.
- Access multiple locations with separate logins.
- Prototype new applications without buying new hardware.
- Isolate applications that do not play well with others in separate virtual machines.
- Move and/or copy one location to another.
- Return to a previous point without having to reinstall the operating system or perform other time-consuming operations trying to remove whatever malware invasion occurred.

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Converting simple tax data to a simple tax return is simple. More often, clients have lots of complicated tax and accounting data that eliminates simple as an option. Accumulating and categorizing tax data accurately is an increasing issue for the taxpayer and the tax professional. Technology can help with advancing optical scanning equipment and related software to enable "Scan, Organize and Populate."

The need is to automate the creation of 1040 tax returns with data directly from source documents reducing the people time involved in data entry. Isaac O'Bannon stated in his September 2008 article, "The Workflow Revolution Continues" (www.CPATechAdvisor.com/go/2079), "Much more than just add-ons to a tax system, these automated population utilities bridge between a document management application and a professional's tax program." Consequently, when a client delivers a shoebox of documents, they can be scanned immediately, and then the program organizes the information. Most firms already own a good scanner, but acquiring a new one is not expensive.

Companies providing scan and populate support:

- CCH [ProSystem fx Scan](#)
- SurePrep's [1040SCAN](#)
- [GoFileRoom](#) from Thomson Reuters
- [FileCabinet CS](#) module from Thomson Reuters
- CCH Small Firm Services "Scan & Fill" for [ATX](#) and [TaxWise](#)
- Copanion's [GruntWorx](#)
- Intuit [Document eSort](#) powered by Copanion

Another option is to use [PDF Converter Professional 5](#), which is designed to create, convert and edit PDF files. For those who need more than just tax return information, this application can be a foundation for digital document organization.

Other Information Resources:

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more effectively deployed to expand distribution of enterprise applications, support continuous data backup and deliver system redundancy when needed.

A few basic cloud components include the following:

1. **Elastic Computing** – resources capable of growing and shrinking as needed automatically
2. **Monitoring** – continuous measurement of resource usage to determine system efficiencies and effectiveness
3. **Load Balancing** – automatic reassignment of computing resources as needed
4. **System Scaling** – implement appropriate service capacities
5. **Security** – a critical issue, that can include standard Web Server protections and point-to-point encryption

Firms with heavy peak load needs, such as tax season, can reduce capital outlays for permanent equipment installations that may only be needed for short time ranges.

In Greg LaFollette's article, "I May Have My Head in the Clouds, but I Have My Feet Well Set on the Ground," (www.CPATechAdvisor.com/go/1853), Greg offers: "I submit to you that cloud computing means that we are about to experience yet another change of paradigms. Smart tax and accounting technologists are starting to notice the 'clouds forming in the West' and are beginning to plan strategies to take advantage of the new capabilities thought of as 'utility' or available 'on demand.' The cloud that I'm referring to here is a massive network of 'cloud servers' interconnected in a grid running in parallel using virtualization to maximize computing power per server."

Michael Bodner, in his article about Web 2.0 and SaaS (www.CPATechAdvisor.com/go/1967), states, "The only way for us to not be overwhelmed by the sheer volumes of data will be an ever more efficient way of

storing, indexing, organizing and retrieving it.” Michael further adds, “Applications

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vendors providing resources to support every sales tax area from identifying each of the thousands of taxing districts and their individual crazy calculations to final reporting on a signature-required form.

In today's typical online environment, it is usually better to use a real-time solution that can meet the regulatory needs of a business and its workflow needs. Pamela Kostka, Senior VP Marketing of Sabrix, reflects on expected taxing changes: “State budgets are going into crisis and major rate changes loom. Individual businesses cannot stay current with these rapid changes and still run their business. Help is required to avoid the pain from a bad sales tax audit.” It is clear that each company must develop practices and procedures to effectively manage the cash flow from collection and payment from sales tax.

Sales tax vendors provide a range of services from calculation to reporting. A few vendors will even assist with the setup and configuration of the application within the company. In addition, some vendors will assist with the nuisance and issues surrounding a sales tax audit. This support can be a blessing.

Vendors who provide Sales Tax Programs include the following:

- [Avalara](#)
- [BNA Software](#)
- [CCH, a Wolters Kluwer business](#)
- [Electronic Sales & Use Tax, Inc.](#)
- [FileYourTaxes.com](#)
- [SABRIX](#)
- [Speedtax](#)
- [Taxcient](#)
- [Thomson Reuters](#)
- [Trustfile, an Avalara Company](#)

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New applications and higher speeds of wireless fidelity (Wi-Fi) will also continue to adapt better and more effective uses of this shrinking computer to deliver the overwhelming data. There will be a never-ending marketing blitz for us to buy the new and the more fully packed.

Faster speeds, such as 3G and beyond, enable streaming of music video, on-demand video programming, 3D games, financial data and videoconferencing.

Gobi is not the desert in Asia, it is a technology platform from Qualcomm delivering built-in high-speed cellular connectivity to notebook computers. Notebooks featuring Gobi technology can take advantage of the ultra-mobile Internet services offered through fast wireless networks. Gobi technology is focused on connectivity capacity beyond Wi-Fi and is being certified on networks around the world.

The Gobi platform supports multiple network technologies, enabling global implementation through a range of service operators. Being embedded in notebook computers eliminates the need for external wireless attachments such as air cards or specially configured notebooks based on geography. In addition, 128k encryption provides a higher level of security.

Mobile application use is being implemented throughout the accounting community. A few simple reasons are:

- **Mobility** — work anywhere
- **Convenience & Scalability** — can move a workstation wherever there is space
- **Moving** — no more rewiring issues
- **Clients & Visitors** — set up limited access for secure guest use

Isaac O'Bannon's November 2008 article, "Adding Wireless Is Easier Than You Think" (www.CPATechAdvisor.com/go/2164), has lots of really good ideas about

setting up your wireless network in the office or at home. As Isaac says, “You may not

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one convenient entry point. It is a funnel that supports each user’s access to the world of possibilities within the client enterprise or accounting firm.

Portals are created as a gateway into the Internet. There are two types:

- **Horizontal Portals** — a cornucopia of anything and everything for anyone, such as [Yahoo!](#) and [CNN](#).
- **Vertical portals (Vortals)** — directed at a narrow (vertical) audience. Accounting firms implement Vortals to support client access to applications such as accounting systems, tax returns and audit schedules.

Most portal solutions allow internal and external access to specific information using secure authentication and/or single sign-on. Accounting firms are increasing the use and reliance on vertical portals. In 2008, the Tax & Accounting business of Thomson Reuters announced that more than 200,000 customers are being served using portal technology. Accountants are adding value to client interactions in many ways.

Good design enables the portal to support a wide range of specific applications. In addition, portals can enhance collaboration among individuals and work teams among the client and the accounting firm. After data has been entered, the stored results can be accessed through the use of any computing platform from desktops to laptops to mobile handhelds. Access to data where you are and when it is needed is one of the growing benefits of portal functionality.

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