

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

FIRM MANAGEMENT

Software Strategy – Is Your Firm Doing the Right Thing?

For most accounting firms, choosing a software provider and staying the course is an easy and safe decision. Only when there are traumatic events in pricing changes, software not working and not getting fixed, technology changes or regulatory changes that the software doesn't keep up with will we even consider a change.

Randy Johnston • Aug. 07, 2014



For most accounting firms, choosing a software provider and staying the course is an easy and safe decision. Only when there are traumatic events in pricing changes, software not working and not getting fixed, technology changes or regulatory changes that the software doesn't keep up with will we even consider a change.

Further, it is also a good strategy to choose software from a single publisher or the "suite" approach because of integration benefits, although sometimes the integration isn't very thorough or deep. Alternatively, we can choose a best of breed approach, where we go through a selection process, understand our needs, match the software to the needs, integrate, implement and train our team on appropriate use.

When was the last time you looked at your firm's strategy and tactics, and aligned your software with those strategies and tactics? Besides the fundamental products like practice management, tax preparation, tax research, 1040 workpapers, audit, audit workpapers, document management, portals, wWorkflow, PDF creation, productivity software, operating systems and anti-virus, there are many other areas to consider that have specialty software including: collaborative accounting, state and local taxes (SALT), litigation support, valuations, wealth management and

more. The typical firm has more than 75 software systems that are used to provide client service. What are you using and why?

What Needs Do You Have?

Of course, your focus as a firm will determine the software needed to solve the client problems. For example, if you are dealing with expatriate tax, you'll want portals for working with the clients, software that can handle the complexity of the calculations and appropriate tax planning software that properly projects the client's situation.

If you are dealing with collaborative accounting, you'll want one or two titles that provide the basic accounting, appropriate reporting and dashboard capabilities, as well as portals and document management that allow all business functions to remain paperless. Beyond these fundamentals, you may also want to provide sales tax support, payroll, human resources and other specialty needs depending on the vertical niche you are serving.

The large publishers of Thomson Reuters, Intuit and Wolters Kluwer CCH have a broad line of offerings. We are frequently amazed how firms don't know that there are many products beyond the fundamental products including knowledge management, fraud detection and sales tax products in their offerings. If you are trying to work with a single vendor, make sure you contact your sales representative about additional needs in your practice to determine if your main supplier has a product that fits your needs.

Competitors to the large publishers have offerings in every area of a CPA firm. For our K2 Enterprises CPE courses, we maintain a web site that lists the popular solutions at: <http://www.cpafirmsoftware.com/software-solutions>. In each category of practice, we try to remain aware of the top offerings, costs and benefits of each product available to the CPA profession.

A good rule to follow is that if a product you are considering is not on the list, be reticent to choose that solution. There may be technical issues, poor support or other reasons a product is not listed. If you are considering a product that is not listed on this web site, I'd like to hear from you directly about the product and your need. Many times it is an opportunity to learn from you as you refine your practice.

For example, each of the large publishers have good practice management products: CCH Practice Management, Thomson Practice CS, and Intuit Proline Practice Management. Other worthy products to consider for Time and Billing and Practice

Management include: BillQuick, Office Tools Professional, TPS, Commercial Logic Traktime Central, PowerPM or APS Advance Practice Management, and Practice Engine each bring something unique to your practice.

Although some would claim practice management is dead, keeping track of your costs, producing and tracking invoices and payments is still critical in our practice. Value billing has more value to the firm when we understand the amount of services being provided to the client. Examples of the value of our services are evident in areas like tax, collaborative accounting or detecting a fraudulent activity.

Using fewer software products in a practice is typically cheaper, requires less training, is easier to implement, and produces efficiency. Using a spreadsheet to track items that are better done in some other piece of software lowers efficiency. For example, we frequently see spreadsheets used for workflow, business development, and reporting, when tools like XCM, CCH Workstream, Thomson FirmFlow, Results CRM, and Biznet could do a much better job. The investment in the software compared to the hours squandered in a spreadsheet is small when all hard and soft dollars are considered.

Don't Change for Change Sake

Look at your needs and reflect on the processes you have that are largely manual or where you are currently doing a workaround in your software. These areas are an opportunity for improvement, and could potentially have a software solution. Understand your needs, what you intend to accomplish, your budget and your probable return on investment before beginning a software selection process. See a demonstration and see if you can use the software for a trial period.

Understand the limitations of the software being considered before signing a contract. Budget sufficient time and money for appropriate training for your staff. Remember to eliminate the older way of accomplishing the task. We don't want to introduce an additional way to complete the project, but a better, more effective way. And of course the goal of changing software is to use less time, producing a better client product while producing more profit per partner.

Firm Management • Technology

sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2023 Firmworks, LLC. All rights reserved