CPA
Practice **Advisor**

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The majority of tax and accounting firm partners spent the last few months focused

reliance on the internet for accountants to work, all firms need redundant internet connectivity. New providers for broadband service are constantly entering the marketplace and upgrading their services or decreasing costs, so firms should schedule a review of providers every 18 to 24 months (it can take a few months to get a new provider integrated). This can lead to substantial cost savings and/or enhanced performance with minimal effort on the part of the firm. Also, there is a shake up in the digital cellular providers with the new 4G systems, which allow connectivity for remote users through USB air cards, smartphones and other mobile devices, so firms should evaluate and try the service of the best providers in their region.

2. **Do our personnel know how to securely transfer data to and from our clients?** As firms promote the use of digital technology and request information in an electronic format, do your people know the most effective options in the firm's tool set to direct clients to use? The use of encrypted email and portal technology with clients is on the increase with more concern about security, so firms should direct a solution that best meets the client's individual requirements. For the one-time transfer of a file, encrypted email through a third party can offer a solution that is easy for the client to use. For business clients where there will be ongoing two-way transfers of files, portal solutions (particularly web-based products that link to the firm's document management system) are the most effective.

3. **Has the firm planned its virtualization strategy for the IT infrastructure?** Server virtualization, where accounting firm applications run in their own "instance" on a beefed up server has proven to be more stable and cost effective, with easier recovery (in the event of a disaster), but we still see firms implementing traditional file servers for each application. Firms need to plan their transition as they replace servers and then monitor the profession's adoption of virtualized workstations, which could be the next big wave on the desktop.

4. **What mobile access tools are we targeting this year?** Smartphone and air cards,

partners and managers carrying a "touch device" with them when they are away from their desk to keep in tune with what is happening in the firm.

5. **Are there applications and services in the "cloud" that we should be evaluating?** When an application is more stable, secure and less expensive to operate in the cloud, firms should transition to those products. Most firms are already using web-based applications for their research, forms, banking and payroll. Firms are increasingly using cloud-based document management, portals, tax document organization, return processing, and hosted email in the cloud, as well. And some firms are outsourcing their entire IT infrastructure to "private cloud" hosting companies that support products from different vendors the firm has selected.

6. **What tools should we be evaluating to streamline tax production?** While triple monitors and high-speed scanners have become staple technologies within the accounting profession, not all firms have transitioned to the digital workflow and data management tools available today. Workflow tools that track the status of every return through a central dashboard are part of many document management systems as well as dedicated web-based products from XCM, SurePrep and Copanion. Most firms are also using scanning tools to organize the scanned images of client source documents, and the next generation of products that automatically transfer optically recognized data into the tax return (to save keying time) are on the upswing.

7. **What are current audit bottlenecks and what tools are available to improve production?** Taking a second monitor into the field has shown marked improvements in the field productivity so the next opportunity is to effectively capture audit data digitally and manage audit workflow. The transition to Office 2007/2010 significantly increased the Excel Grid, and most accounting applications can export to Excel. Audit staff should be trained to promote this with clients, including data extraction with tools such as ActiveData. Teaching audit staff to work better with web-based audit confirmations (Confirmation.com,

Audit Confirmations), analytics (RMA, iLumen, ProfitCents, BizBench) and even

users of dual monitors such as administrative or audit personnel, Windows 7 32-bit version on a workstation with 4GB of RAM is usually adequate. Firms should also have a solid plan to transition their version of Microsoft Office. For those who have already transitioned to Office 2007, the ribbon menu in Word, Excel and PowerPoint made the transition worthwhile. Office 2010 added this capability within Outlook, and for firms running Office 2003, XP or older, the jump to Office 2010 is recommended this summer. For those firms already on Office 2007, this would be an expensive upgrade (unless your firm is on Software Assurance), so IT people should be planning to skip to the "next" Office version. Firms must also evaluate whether a laptop/smartphone or a desktop/tablet combination makes the most sense for each user with the assumption that they will be connected to firm applications and resources whenever they choose

9. **What tools are available to better manage and access the information in our systems today?** Many consultants regard Information Management as the last sustainable competitive advantage for firms today. Between webinars, conferences and articles, we are all exposed to best practices faster than ever. The difference between firms in the future will be their ability to proactively identify and implement best practices technologies faster than their competitors, so firms should work to formally codify their information and the ways that they can deliver it to users via document management programs, intranets and dashboards.

0. **Where is training needed?** If you ask your IT personnel what percentage of their day they spend on IT matters versus answering application questions that should have been covered in training, most of them say the majority of their day is spent on the training issues. In the vast majority of firms, IT people are usually not the best suited to provide technical training on these accounting applications, so firms should proactively identify "power users" to not only provide training, but to document best practices in such a way that they can be made available to firm personnel when and where they need this training.

To make the most of the slower summer months, firm partners should schedule team

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audit, client services and administrative areas. He recently updated his Quantum of Paperless Guide *(Amazon.com), which outlines 32 digital best practices for accounting firms.*

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