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**FIRM MANAGEMENT**

## 3 Reasons Accounting Firms Should Adopt Electronic Workflow

While off-the-shelf cloud-based accounting software is readily available, the real challenge accountants face is managing the accounting processes that aren't included within this software, making their jobs more difficult and the process more complex.

Nov. 28, 2016



The introduction of cloud computing has made a big impact on the accounting industry by allowing Certified Public Accountants and other financial professionals, and their clients, to collaborate while having access to the same financial systems and information whenever they need it.

For most accountants, cloud-based accounting software is appealing for a number of reasons: it's easy to use and provides different professionals with access to functions needed to complete critical accounting tasks. But an accountant's role requires more than simply using this accounting software to complete tasks—it also requires effectively managing the process to provide meaningful financial information that is timely and accurate. With this financial information, accountants provide financial insight and analysis.

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How? Most cloud-based accounting software lacks the flexibility and integration of a workflow system that standardizes and automates a client's internal financial processes—and most accounting software that has workflow capabilities requires time consuming and expensive customizations for the dozens of accounting processes that exist. For example, properly building out just one accounting process can take anywhere from six to 24 months—and after completion, these processes need to be maintained and enhanced.

That's why the next step beyond the cloud is the capability to manage the financial processes that exist outside of accounting software. The solution? Electronic workflow. With electronic workflow processes that are configured to maintain best practices, not only can data be viewed and accessed from anywhere, tasks can also be performed from anywhere with reduced effort. But without an electronic workflow system in place, accountants are left using accounting software in a piecemeal fashion, juggling a wide range of tasks and relying on paper or email trails to support the process. Here are three reasons why accounting and finance professionals should invest in electronic workflow processes.

**Accountants can concentrate on the most important part of their jobs: providing financial analysis and insights.** Accountants are experts in understanding and evaluating numbers to provide financial analysis—a skill set that provides their clients with significant value. But providing clients with high level strategic advice

requires accountants to be able to focus on providing financial management—which also means that they need to be able to rely on their system to produce actionable financial information. By standardizing and automating processes and managing them centrally, accountants can reduce the time and cost associated with lower value tasks to become their clients' trusted advisor.

**Automating tasks is cost-effective.** Every accountant knows each task involved in accounting processes needs to be performed by various individuals. From managing payables, billing, cash receipts, payroll, month-end closing and financial reporting, the list of necessary accounting tasks can seem endless. Electronic workflows allow accountants to standardize these processes by creating and sharing them in a cloud-based environment. This enables collaboration between clients and accounting firm staff, giving each the ability to disperse workflow and workforce while saving costs. By allocating tasks between people, the appropriate level staff work on their respective tasks, more senior professionals can easily review entry level work and the information technology team can manage data integration.

**Technology is shifting towards automating and standardizing processes—and if firms don't adjust, there will be a steep learning curve that will leave them behind.** Integrating these systems will improve the accuracy of the financial information by creating one system of truth. With automated processes, the entire team can access the same information. This reduces errors from duplicate entry or timing issues that occur when data is updated. Further, as data can be processed in real-time, the amount of time it takes to process data decreases.

Accounting is no longer just about compliance and record keeping: it's about managing data proactively to receive reliable financial information. Accountants play an integral role in providing their clients with better guidance based on valuable information to strengthen business decisions. With a steep learning curve, accountants must be willing to have a partner who can support them while they make this investment or rely on their team to manage their processes while they continue to improve upon their skills in accounting, finance, tax and technology. This is the only way to provide the financial guidance needed to increase their clients' probability of success.

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Ted Rose is the president and CEO of Rose Financial Services (RFS). Prior to founding RFS, he was the Corporate Controller of a publicly traded biotech firm and served on the senior staff at PricewaterhouseCoopers. Mr. Rose graduated from the University of Maryland with a B.S. in Accounting and a MBA in Finance and International Business.

He serves on the Workforce Development Board executive committee for Montgomery County as the Treasurer and is the past president of the Entrepreneurs Organization DC Chapter. He serves on the Accounting and Information Assurance Board for the Robert H. Smith School and was appointed to the Dingman Center for Entrepreneurship's Board of Advisors. In addition, he is a member of the Association for Corporate Growth, Entrepreneurs' Organization, AICPA, MACPA, the and the Tech Council of Maryland. To learn more about Ted Rose and RFS, visit [www.rosefinancial.com](http://www.rosefinancial.com).

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