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The accounting world is obsessed with efficiency.

The concept arises in articles, webinars and conferences. Accountants who have operated in a particular manner for years are now re-evaluating everything from

services to marketing to communications and more, scouring each area for

their software and following their processes. If a client preferred paper, a firm might be faced with a slew of hard copy files during onboarding and need on-site visits to reconcile accounts and get checks signed. Firms maintained numerous versions of desktop software, depending on what clients were using. And, firm employees had to learn each one – no matter how obscure.

Many times, firms have had to reinvent the wheel for each client, eating up time, effort and patience. Multiply that by 100, 200 or more and the idea of efficiency gets cut off at the knees. It's simply too hard to implement firmwide efforts when you're supporting dozens, if not hundreds, of workflows and standards.

Now, accountants are retiring that philosophy. Instead, they outline workflows, standards and technology. They identify the type of clients they want to work with – as well as the type they won't work with – and set up systems that can be tested and honed to perfection.

The point of this endeavor, overall, is to save time and effort in order to grow the firm. Suddenly, you don't have to add employees to grow. The efficiencies you cultivate allow you to incorporate more services or clients without having to augment overhead. It's the accounting version of the assembly line – an operational strategy proven to pump up profitability.

Efficiency is important. Absolutely. But it is only one side of a coin. To focus solely on efficiency from an internal perspective (i.e., what works best for my firm and its staff) is to decrease benefits and results.

Let's take a step back and reset the conversation.

Any movement toward efficiency is undercut without considering effectiveness. Efficiency cannot be deployed in a void but must be part of an overall strategy. If you only consider it from a singular point of view, you're setting yourself up for failure.

Efficiency vs. Effectiveness

them as effective.

For example, you've created an onboarding workflow that happens to be heavily paper-reliant. As the workflow's creator, you may be well accustomed to the process and feel it's efficient. But do your clients think it's effective to corral paper and fill out forms? At a time when technology offers electronic means to accomplish the same tasks, probably not.

What about your employees? They may have to take your paper-based process and key in data across multiple systems. They probably would not judge the process as effective either.

In this light, efficiency needs to transform into the strategy that enables effectiveness.

For example, let's consider employees again. Are employees frustrated by the uneven balance of administrative work (data entry, check runs, etc.) versus more challenging endeavors (planning with clients, forecasting, problem solving, etc.)? Is there a way to decrease their administrative contributions so they can devote time to higher-yielding advice and projects for clients?

Likewise, does your firm suffer from a high client turnover? Are they dissatisfied? Why? The answers to this can vary from timeliness, work product, showing value, communications, accessibility and more. Depending on the reasons, instituting a higher level of transparency and efficiency could provide these clients with on-demand financial performance and information (rather than waiting for your phone call or email.)

To grow, your firm must be effective. It has to get the job done and get it done well. Remember that effectiveness is judged differently by different parties. From your firm's perspective, effectiveness might be measured by firm profits, number of clients

or employee satisfaction. However, from your clients' perspectives, effectiveness

how because they dictate standards, workflows and technologies instead of yielding to the clients' preferences? With this idea of effectiveness, aren't you advocating that we go back to the traditional ways of business?"

Not at all.

What I'm advocating is long-term efficiency, a concept that cannot be enacted by considering only one perspective. Once you have a good grip on effectiveness and clients' and employees' judgment of it, then you can truly institute *sustainable* efficiencies.

In this context, you're not creating efficient workflows simply to introduce efficiency. Each improvement supports a higher level of effectiveness and, ultimately, profitability.

Let's take a look at this concept in action.

Consider how you buy movie tickets. If you go online or through an app, you select your movie and have your tickets immediately. It's more efficient for the movie theater staff since they don't have to spend the time to sell you tickets. It's also more efficient for customers because they don't have to wait in long lines. Online movie tickets are an efficient solution that is more effective for both customers and the theater since it benefits both parties.

Consider this for accounting. On the business side, it's less efficient from a time, labor and cost perspective to send a paper check for a client than to pay online. If a client can approve a payment via an app in only a few taps (versus being tied to a desk to review it), it's easier for him/her to focus on business rather than signing checks. Not only is it more efficient, but due to convenience and time savings, both the firm and its clients experience the benefits and deem the process effective.

Conclusion

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DougSleeter ([@dougsleeter](#)) is the founder and former CEO of The Sleeter Group. He is a passionate leader of innovation and change in the small business accounting technology world. As a CPA firm veteran and former Apple Computer Evangelist, he melded his two great passions (accounting and technology) to guide developers in the innovation of new products and to educate and lead accounting professionals who serve small businesses.

In 2015, he sold The Sleeter Group to Diversified Communications (www.divcom.com) and the company has since become [The Accountex Network](#). Always in search of the next big thing, he is currently focusing on digital currencies and blockchain technology. He believes these technologies will change virtually everything in global commerce.

Sleeter was [inducted into the CPA Practice Advisor](#) Accounting Hall of Fame in 2017 and has been recognized as a Top Thought Leader since 2008.

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