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Randy Johnston • Dec. 18, 2017

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As you wrap up another successful year, you may be reflecting on the best techniques and tools you can use to manage your firm. While people and their skills are your most important asset, you can help your team by providing the right technology tools. It was clear that many firms were looking at their practice management, document management and workflow tools during this past year, and have big plans for their future use of these technologies.

We have seen advancements in other supporting tools this year including Prepared By Client (PBC) document retrieval tools, accounting documentation support such as Receipt Bank or Hubdoc, 1040 workpaper accuracy with SurePrep and CCH Scan, audit efficiency tools such as the CCH Audit Accelerator or CCH KnowledgeCoach tools, and a wide variety of upgrades in SaaS accounting software products such as QuickBooks Online, Xero or Sage Intacct. While marketing may state that one approach or another is best for your firm, remember our long-standing rule that you must look at your firm's business strategy and tactics before choosing your IT strategy and tactics. What is your overall plan for managing the firm more effectively?

Can the right technology tools help?

Of course! But the right technology tools won't fix management issues or procedural problems. Many partners believe that the issues in the firm are caused by or can be solved by software. Others believe that "going to the cloud" or getting the right people will eliminate operational issues. While this may be true, many of the issues

are caused by faulty expectations or implementations. It is also quite common to

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squarely on the money taken home by the partners that not enough investment is made in any area. It is also pretty clear that firms that spend the right amount on people and technology average more per partner income than those that do not.

The goal of this article is not to discuss business planning and alignment, but rather to help choose the right technologies to support the business vision, mission and strategy. We need to look at the firm holistically! This decade has been the decade of workflow, and there has been good progress of implementing automated workflow in larger firms. Firms with 50 people and below are still working on this area of the practice. While we have watched stand-alone products like XCM Workflow enable radical transitions in firms, we have seen others where the workflow tool was not implemented properly. Remember that you have to look at your firm's processes, map the existing state the "As Is" and what the new state or "To Be" should be like and encode this in the processes.

While workflow can be standalone like XCM or JetPack Workflow, there are other approaches that are document centric such as CCH WorkStream or Thomson FirmFlow as well as those that are practice management centric such as Star or APS Workflow. You can also invest in creating workflows with tools like SharePoint or IntApp, but these are likely to be more expensive to develop and maintain. One key idea in this area is that you can spend a lot for process consulting, but if you teach your entire team to understand processes, you'll get useful ideas from everywhere in the firm, and will likely be able to sell process consulting engagements to your clients, too.

Unfortunately, a number of firms have implemented document management...about 40% of the way. We understand the attitude of getting most of the benefit from implementing about 90% of a product, but we still find critical features like records retention, Optical Character Recognition, workflow, automatic naming, PDF

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find that firms do best that review their processes and implementation twice a year, refine the implementation, and teach team members the new way of completing work. One key idea that may help you here: we believe that most firms confuse working files and final published work products. Consider what you are trying to control and when. This may eliminate the multiple copies of a single file that many firms have stored. In our consulting field work this year, we found multiple firms that had six or more copies of the same files stored in different places. No wonder team members were confused!

The riches are in the niches! You've seen this in my prior columns and it is a popular phrase among many consultants to the profession. While there are profitability pressures in the compliance areas of tax and audit, firms have gravitated to wealth management, collaborative consulting, SALT and dozens of other vertical offerings. To manage the teams and their financial results, more sophisticated practice management systems can be helpful.

This is not about value billing or time keeping, but rather about project management, scheduling, due date management and getting the right people to do the right jobs. We prefer practice management systems that can provide analytical reporting just like more sophisticated ERP systems can. You should be able to report by partner, office, service offering, niche or any other practice area that you like. AND it should not be a royal pain to do so. Most traditional practice management systems have limits in their ability to report and in their ability to manage projects.

As you review your current system, which is likely to be CCH Practice Management, Thomson Practice CS, or none at all, then you should consider what it takes to manage your firm effectively. This doesn't necessarily translate to dozens of reports or complex schedules. What does it take to keep projects' timelines and profitability visible? Can this be done with workflow, or some other collaborative tool? Should we

look at new generation practice management tools like BillQuick Core, Karbon or

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additional courses, conferences and webinars on how to use the product better. Many vendors have forums where ideas on how to optimize the product can be exchanged.

Beyond that, you can learn about firm management from associations like CPAmerica or through events like AccountEx. Clearly publications like this one can also be a source of ideas. Even your own CPE program should include content from providers to support your management and career growth.

Other Key Things to Look For?

Remember that what works well for one firm may not necessarily work for your firm. On the other hand, if a technique is working in a firm, and you can apply those same techniques to your clients in a different geography or market, why re-invent the wheel? But remember, many of the formulas that are being promoted have already reached saturation by the time you hear about them.

Consider the fundamentals of going to your client base, listening to what they would like as a service, determine if you can profitably and repeatedly provide the service to those clients and more. It's always a benefit if the service fits in your pre-defined niches, strategies and expertise. However, sometimes you'll have to make the conclusion that it is better for the firm and client to not provide the service and refer the client to another expert that already provides for this need. After all, isn't satisfying client needs a core part of what you are trying to do in your practice?

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