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administrative staff work on are over. Those days should've been over ten years ago, but they're definitely over today. In future-ready firms, process is a core strategic ...

**Dustin Hostetler** • Feb. 06, 2018



By now, all of you reading this have heard of Lean Six Sigma (LSS). It isn't a new concept. It was new to our profession back in 2007 when I first started going to conferences and presenting on the topic.

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We're going beyond that to LSS 2.0. If your firm hasn't already implemented LSS, you're falling behind. Here's a fact from our front-line consultants who are working in CPA firms' week in and week out – the gap between the firms that are “Lean” versus the firms who are not yet “Lean” is widening by the day, the month and the year. The firms who have been comfortable with status quo, quite frankly, are going to be rudely awakened as the intersection of technology and process continues to change the game around them. I can't help but think of companies like Blockbuster and Kodak who were at one time comfortable with the status quo.

If you're still reading, you're interested in being a change agent inside your firm and not comfortable with the status quo. That's good – we love people like you! In this article, I'm going to highlight five process improvement trends that I'm seeing in the best of the best firms. These are firms that have embraced LSS, are growing above industry benchmarks and are positioned to continue to be wildly successful five, ten and even 20 years out. Hopefully, you'll be able to glean ideas from these trends to keep your firm positioned on the future-ready track.

## **Strategy Trend #1: Process is a core strategic pillar of the firm**

The days of thinking that “process” is something that only low-level staff and administrative staff work on are over. Those days should've been over ten years ago, but they're definitely over today. In future-ready firms, process is a core strategic pillar of the organization's strategic plan. That means it has partner-level leadership and buy-in. It also means teams are being deployed throughout the year to continuously improve processes. Not just taking best practices from conferences and other firms – but creating the best practices of tomorrow. If you are comfortable just taking another firm's best practice, you're satisfied with the status quo. That best practice is probably already outdated.

Here's a prime example. Almost every CPA firm we talk to says they're paperless.

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In the last couple of years, the biggest transformation we've seen in the best of the best firms is that they're truly committed to offering clients a client-friendly "Digital Client Experience." Once again, the days of excuses and "my clients don't want that" thinking are coming to a close. Even if that were the case, if your clients don't want to embrace technology, is that the client base you want to grow with over the next ten to 20 years? I wouldn't want to buy in as a new partner to that firm model.

We are seeing that future-ready firms are embracing technology to make it easier for their clients. It's so much easier for clients to click on a link and automatically sign an engagement letter. It's so much easier not to have to shuffle through a 50-page tax organizer. Client's love easy-to-use PBC request programs. And most especially, digital copies and electronic signature of e-file forms for taxpayers round out examples of the digital client experience.

A key point to keep in mind: just because you're making it easier for the client to do business with you electronically, doesn't mean you stop communicating. Face-to-face, video conference and the good old fashioned telephone are still a must to build and foster client relationships. You're just making the other stuff easier for them to work with you.

## **Strategy Trend #3: Openness to Automation and Growth**

Technology, automation and artificial intelligence are changing and will continue to change the game in the compliance areas of your firm. From auto-populating tax returns to automatically completing work papers for an audit, technology is here and growing our ability to automate more of what we do.

This may scare some, but in my opinion, it presents a great opportunity for the

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Lean Six Sigma 2.0 is becoming in our profession. Many firms, especially those who haven't yet embraced LSS, have over-complicated their processes over the years. They've expanded their processes. What many firms are doing today in terms of number of steps and time is much higher than ten to 20 years ago. What's the key reason? As they've added new software and technology, they never thought to align and update their processes correctly. If you're adding steps, what are you taking away? How much time are you truly eliminating in the process?

We see a huge need for firms to think "Simplicity" – find simple and practical ways to cut down on the complexity you've created. Not only will this improve efficiency, but it will also substantially improve quality as well.

## **Strategy Trend #5: Partners get out of the way (if they're in the way)**

Last, but not least, the future-ready firms understand that old ways of thinking hold everyone back. While they have partner-level leadership championing their improvement efforts, leading firms allow their rising leaders to shine and drive the process and technology changes that are happening inside their firms. Process improvement truly demands a global perspective on the process to improve.

Don't let your firm be held back by a few "old school" partners. While it may seem necessary in the short term to appease, it's a long-term liability to the firm. No one likes working in outdated processes with outdated technology. Don't let your partners be the ones clinging to status quo.

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graduating magna cum laude, and earned both his Lean Six Sigma Black Belt and Master Black Belt certifications from Kent State University. Dustin is also a member of the CPA Consultants' Alliance, a working group of thought leaders united in their efforts to further leadership within the CPA profession.

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