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For many professionals, the concept of practice management has long been a challenge to precisely define. But new technologies are increasingly giving firm partners and managers greater control over aspects of their practices that were, not too long ago, somewhat intangible. This enhanced control over all of the many areas of a professional practice are crucial to breaking the productivity barriers that can limit a firm's ability to take on more client engagements with the same staff, and thereby growing their practice by working smarter and more efficiently.

As many thought leaders in the profession are helping to identify best practices as they involve the new technologies available for accounting professionals, it is becoming clear that the key to firm productivity lies in maximizing the efficiency of internal workflow processes. Yes, once again, "It's all about the workflow." And there is no singular program within a practice that can have greater impact on overall processes.

Whether billing by the hour for all or some engagements, using a "value-based" flat-fee structure, or a mix of both, most professionals acknowledge that time management is an integral component, allowing management to either bill directly for time spent on client work or to assess the current flat-fee structure in place. And time tracking, on a per-professional, per-client, per-task and overall firm basis can offer extensive analysis options, helping to find the areas and members of greatest productivity. This analysis can also help find "lost time" and expenses that can drain a firm of its resources.

Many time and billing systems are available (see the review on page XX of this issue) that offer these capabilities, providing management tools for many small and mid-sized practices. But where those systems are primarily focused on time for billing purposes, practice management systems take a more comprehensive view of time as

one of many practice resources that needs to be managed in order to provide greater

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options for accepting credit card payments electronically.

While practice management begins with time, it continues in a constantly evolving practice workflow that makes the best use of all of its resources. By integrating with the other programs within a professional firm, including both client service and internal management systems, a practice management application provides day-to-day utilities for general firm staff, while giving firm management powerful insight into their practice.

Rhonda — use the Practice Management graphic from the 2010 Readers' Choice Awards with the following caption:

Approximately half of accounting practices use a dedicated practice management or time and billing system.

Source: 2010 Readers' Choice Awards

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