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When I start to think about where this concept of workflow software originates, it reminds me of the debate between creationism and evolution theory: When and where did it all start? Unlike DOS, Windows, iPhones, etc., for which we can pretty easily trace the roots of their origins, the source of workflow software is much more difficult to trace. I challenge you to identify the original source of workflow software. It's like trying to discover the origin of websites and portals. Why is this point important? I guess only because I found it more difficult to comprehend the concept of workflow software without knowing how it originally evolved over its relatively short history. Fortunately, there is a sufficient number of alternative workflow solutions available today to help you develop an understanding of its core purpose and functionality. My goal for this article is to help you gain a conceptual understanding of what workflow software is all about, specifically as it relates to accounting and tax services, and the scope of features and functions offered.

## A Definition

There is no single definition of what constitutes workflow software. On one hand, it could simply be an Excel spreadsheet that has a routing list that gets checked off as the engagement moves from one step in the process to the next. At the other end of the spectrum, workflow software has the potential to route an electronic document automatically by interpreting the contents of the document and perhaps even take information from the document and transfer it. Think about the scan and populate software for 1040 tax products that takes data on scanned W-2 forms and transfers it directly to the tax software "hands-free." The automatic routing process even has the potential to determine who to route the document to based on its contents.

The bottom line on defining workflow software is this: It's any functionality that automates the flow of information based on some level of pre-defined rules. A classic example of basic workflow software is the "rules" feature in MS Outlook that lets you

move e-mails from your inbox to a specific folder automatically, based upon pre-

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became apparent that we needed an electronic tool to replace our Red Rope or Redweld workpaper folders. These typically had a paper routing sheeting attached to them with a rubber band. After all, if we're going paperless we don't need workpaper folders anymore, right? The issue is that these folders served two key functions. One was to be the container for the engagement workpapers, which, by the way, is the role of the DMS now. The other function was to serve as a tangible tool for organizing your workload and moving engagements throughout the office as the engagement progressed. It is this latter function and all that it encompasses that is the primary force driving the evolution of workflow software.

In the big picture, when we talk about transforming an accounting practice to a paperless practice model, there are four primary software applications that are at the core of this initiative: a scanning solution to convert the paper documents into digital documents, the DMS to manage the storage of the digital documents as well as other engagement files, a portal solution to make the digital documents available to clients and others electronically, and, finally, the workflow automation software that facilitates the flow of the documents through these applications. In addition to these core "paperless" applications, you also have all of the other applications that automate your services: tax preparation, trial balance, write-up, etc. All of these applications will ultimately feed into the digital document pipeline and vice-versa. That is why it is important to research the depth of integration these core paperless applications have with the accounting and tax applications that you use in your practice.

**RHONDA** — Workflow image goes here

## **Workflow vs. Workflow Light**

The scope of functionality in workflow software on the market today is all over the board. Therefore, you can't simply assume that since an application is branded as

workflow that it has a core set of functionality. I think it is helpful to define two

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designed to route one document at a time. There are many benefits to this functionality, i.e., routing a vendor invoice to a designated person for approval based on the invoice amount. From a practical perspective, this doesn't meet the fundamental workflow needs of an accounting firm. The nature of the vast majority of documents and information that flow through an accounting and tax practice is engagement centric. Therefore, the primary value of workflow software in this environment is the ability to provide the features and functions to serve as the online control center and workpaper container for the engagement. The more robust workflow systems accommodate this through features that include linking multiple files in the DMS to a specific project, a comprehensive feature to record and track engagement review notes, automated e-mail notifications, security controls over access to the engagement folder and the ability to establish a routing roadmap for the engagement process that allows you to pre-define the sequence of individuals or workgroups the engagement will be routed to.

In addition to the workflow features discussed in the preceding paragraph, there are many other workflow features and functions that will help to facilitate your transformation to truly paperless workflows. The short list of these features includes staff scheduling, electronic checklists, deliverable and due date tracking, and user-defined fields to track information tailored to the needs of your firm.

## **A Picture is Worth a 1,000 Words**

It's a bit of a challenge to accurately describe the nature of an emerging software technology like workflow. Therefore, I recommend that you find some time to participate in a few vendor demos of alternative workflow systems. If you visit their websites, you'll find that they typically offer free webinar demos available for the public to preview the products, or they will happily schedule a private demo for you. The vendors included in the comprehensive list here range in functions and purpose,

but several are considered accounting firm centric. Several are even offered in the

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Technology

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