

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

**ACCOUNTING**

## Avoid the Efficiency Trap

Transformation is a favorite topic of conversation at accounting industry conferences and in CPA communities. At this point, firms know why they need to make changes. The challenge isn't convincing them they need to automate compliance work, modernize ...

Arianna Campbell • Mar. 14, 2019



Transformation is a favorite topic of conversation at accounting industry conferences and in CPA communities. At this point, firms know *why* they need to make changes. The challenge isn't convincing them they need to automate compliance work, modernize processes and become more consultative for their clients. The challenge is making the time to transform while you perform.

We're in the midst of another busy season and chances are, billable work is taking up the majority of time for you and your staff. So how do you find the capacity to transform your firms and reach your goals?

## **The efficiency trap**

For years, we've helped firms improve their efficiency and effectiveness with Lean Six Sigma. We've seen firms realize amazing results with improved client service, client satisfaction and benefits to their bottom lines.

But in some respects, efficiency has become a buzzword in the profession. When you improve processes and invest in technologies to support efficiency, are you being efficient for efficiency's sake? Are you processing tax returns faster so you can work on more tax returns each year? That's a short term view.

The real opportunity that comes with Lean processes isn't doing more of the same. It's elevating our thoughts beyond efficiency so we can take those gains in efficiency and quality, increase our capacity to transform while we perform and add higher level, value-added services to the traditional firm business model.

## **Continuous improvement = increased capacity**

Remember, Lean isn't a one-and-done effort. It's an organizational structure for continuous improvement.

A firm may start their Lean journey with a process improvement project over individual tax returns, then move on to business returns, audits and client accounting services. But Lean isn't just for compliance services. It's for client onboarding, billing, business development, advisory and consulting – in short, anything your firm does that is process driven.

The firms that have focused on continuous improvement in these areas already have the capacity to transform their service offerings.

If your firm hasn't started gaining efficiency using Lean Six Sigma, you need to get on board. Efficiency and quality at the compliance level isn't a strategic advantage anymore – it's a given. And we've seen first hand the power the comes from firms who use those gains in efficiency to transform their firms.

One large regional accounting firm with 80 employees used Lean to free up over 2,200 hours in their individual tax practice. They took the capacity they created and are now working on building out specific consulting niches.

Another Top 30 firm with more than 750 employees was able to create so much capacity among their admin team that they started pushing more administrative tasks that had been handled by professionals down to the admin team, allowing their professionals to concentrate more on value-added work for their clients.

Efficiency may be a buzzword now, doing more with less is the new normal. Just make sure you're not using the additional capacity you've created to do more of the same. While that might boost your bottom line in the short-term, it's not a strategy for long-term relevancy and success. Take advantage of this opportunity to develop strategies and game plans to transform your firm and better serve your clients.

Accounting • Advisory • Auditing • Article

CPAPA is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2023 Firmworks, LLC. All rights reserved