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competitive, or do you prefer the alternatives.

Randy Johnston • Jun. 08, 2020



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Generally, at this time of year, we would have both business and personal tax deadlines behind us. With deadlines extended to July 15 because of the COVID-19 pandemic, many firms had a disrupted cadence this tax season. Typically by now, you would have completed your post-tax season debrief, looked at the remaining workload, and developed a strategy to complete all remaining work and begin considering new tax solutions that fit your firm and your clients.

Some of you are handling 2020 like any other year. Your firm tried to hit both the

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In 2019, the Tax Cuts and Jobs Act (TCJA) disrupted the tax season, with many claiming that it was the worst tax season ever, with the most common word heard describing the conditions as “brutal.” In 2020, the COVID-19 pandemic made work-at-home common. Workflow, document management, 1040 Workpaper automation, portals, eSignature, and other technologies made work-at-home easier. Did these forced conditions make you re-think your strategies?

While tax practices range from low to high volume, complexity, and variety, only you know the needs of your tax practice. What types of returns do your team have the skills to complete effectively and efficiently? Do your “A” clients have requirements that you have trouble meeting? During the past tax season, what steps were clumsy or time-consuming? Are there new services you should offer and are there services that you should stop offering because they are not profitable, or where you do not have sufficient time to maintain your expertise?

Several vendors have delayed the introduction of their new technologies because they recognize that with the July 15 deadline, firms will not be ready to contemplate new or updated products. These changes in timing will result in a shortened selling season for the vendor. Your firm will suffer a compressed timeframe for you to consider your options. Oddly, just what we need is more compression in addition to the tax season compression of the last few years. Possibly worst of all, implementation resources will be stretched during an uncertain presidential election year.

Wise advisors, probably including you, tell clients to do what is right for the long-term, whether that is in your business or for yourself. While you should not ignore the current conditions, this may be the ideal time to invest in new technologies to prepare you for the “new normal” future. On the other hand, clients may struggle, and their businesses may fail, reducing your income opportunities. We know of firms that have reduced staff and cut partner compensation significantly. Spending

precious capital right now may not be the wisest. On the other hand, this may be the

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Decide the Right Thing To Do

Although I have said it before, repeating now has merit. Accounting firms change tax

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project. During the project, make sure to plan for proper setup, data conversion, process modifications, training for your team, and documentation to support your clients where they can see changes made by your firm.

Do not tackle too much change at once. However, note that eleven categories were listed. There may be more specialized tax needs in your firm, or you might have a few less. However, you cannot wait eleven years to make all these changes. Even if you only chose two a year, five years is way too slow to be competitive with your technology tools. While you are unquestionably considering not changing anything because there are too many choices, remember that a muscle that is not used atrophies.

Is your firm so out of shape that you cannot exercise? And you know what happens to your body when you eat right and exercise. What do you think happens to your firm when you feed it the right tools and training? What is your future vision of your tax practice? Do you want to be fit and competitive, or do you prefer the alternatives?

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