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Randy Johnston • Jul. 14, 2022



The first half of the conference season is behind us. We have had a chance to look at new strategies, tactics, and offerings from most major publishers. I may have a distorted sense of the market, but most of the major software companies and venture-backed organizations are highly motivated to achieve sales this year, which they have missed in the last few years.

The critical question is, what is new that would have a meaningful impact on my clients and my practice? Another good question could be, is this innovative technology notably better than what has been available before? Finally, you must conclude that the tool belongs in your “stack.” Your firm’s stack is the collection of technologies that help you provide your services to clients. There is no reason to be

diverted to the latest shiny bright object to try to solve a problem if it doesn't work

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Some of our latest recordings cover everything from updated practice management tools like TPS to transaction classification tools like UNCAT to backup tools like Rewind. But picking an individual tool to solve a problem doesn't necessarily work best in any practice. For example, in a recent engagement, we analyzed a firm that had chosen various best-of-breed tools, many of which were the best option in the category. But the firm still suffered from an inefficient workflow. Workflow issues have been a part of every CPA Firm Tech Assessment engagement I've performed in the last 18 months.

It has become apparent (again) to me that you must think about the experience you want for your clients and your team in every functional area, from tax to audit to practice management to Client Accounting Services (CAS) to Advisory. The teams at Liscio and Suralink have repeatedly taught me about this client experience thinking. Your technology stack (= choices of tools) PLUS workflow procedures make all the difference in everyone's experience. You have probably figured out where I'm going next. Unfortunately, there does not seem to be a magic solution that works for every firm.

While there are many good products in the market, the tendency to oversell capabilities is happening at an alarming rate this decade. Perhaps management teams' promises and stockholders' expectations from companies result in you, your partners, and your firms being told what you want to hear. Maybe you are not asking enough discerning questions. Alternatively, you may have faith in your long-term providers and are trusting the promises of upgrades to come.

How Do Your Solutions Stack Up?

There are certainly advantages to having our technologies talk to each other. Many of your firms have purchased from Wolters Kluwer or Thomson Reuters based on those promises alone. Other significant competitors like Intuit or IRIS have been

working on connecting more products in their stack or associated solutions that are

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of-breed approach. Firms of all sizes favor this approach, trying to get a better solution. However, efficiencies break down when the solution stack is missing critical parts.

In other cases, your tools are getting long in the tooth. You may have selected and used a product for the last 10, 15, or 20 years and the supplier has not done a significant upgrade. It's almost like your firm is living in the past with software that does the job, but you know there must be a better way. However, the cost of switching, few viable competitive options, and the risk of going from a solution that works to one that doesn't have kept your firm frozen in the past. Even on the day I wrote this article for you, I listened to three different firms explain issues they were having with old and new software alike. One named a popular tax product and was told by their publisher that there was "no known solution," which was why we spoke. Indeed, there wasn't a solution to the problem, and they strategically decided to work around it. Unfortunately, their vendor also recommended over a decade-old solution that will not perform as claimed.

In a second case, I listened to another trusted advisor with years of experience with a particular software product. New ownership had changed the method of setup and support of their legacy product. Further, the company was creating a new product that didn't work correctly. The advisor had repeatedly pointed out the flaws in the new platform. Customers were told the new platform worked a certain way, which did not work as the company claimed. While the advisor is correct, the decision-makers in the company, who traditionally could make a difference, did not have the authority to get the repair done.

In a third case, I listened to an explanation of a paid consulting interaction for a large company we all know that will remain nameless. They have a new product that has various functional deficiencies. A novice employee asked for guidance on what

needed to be done to make the product work. The company's legacy product works

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visionaries and people who can execute in companies to make these solutions work for you, your firm, and your clients.

This year's conferences have revealed new tools, strategies, and relationships, including AICPA Engage, Scaling New Heights, and more. Further, it has been nice to confer with trusted advisors and creators of products with powerful new tools. On the other hand, it has been sad to watch well-resourced organizations stumble and ineffectively squander competitive advantage. You, your firm, and your clients wind up being the biggest losers. And you had little to do with your handicap in serving your clients.

One primary concern I have for the tools in our profession is that innovation is happening in various areas. Still, the insightful design and skillful execution to complete the solution is frequently lacking. While there are notable exceptions, many solutions in the market are less than half-baked. However, most accounting professionals I know are pretty smart and can overcome these deficiencies. And that gets me to the point of this article. How do you carefully select the right technology stack to support your firm's strategy?

So, What Do I Do Now?

First, many of you are trying to select a stack based on a consultant's or an association's recommendations. While many approaches are reputable and correct, I'm appalled at those that are not. While I'm happy to share the stacks I have developed, I like to make you aware of various stacks advanced in the market and the tools in those stacks. My team and I have followed and assisted with many of these tools for years. Don't be surprised to discover tools that are new to you. It would be best if you held yourself responsible for selecting your stack.

Second, you will have to step up your efforts in various critical areas. One crucial

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Third, you must step up your game in due diligence, selection, and contracting for services. Reliable resources are far less available, and you may have to do more of your own work. It is wise to think about the phrase “follow the money” when considering your solutions. While I’m a long-term believer in partnerships, inappropriate financial relationships from service contractors may not help your firm or your clients as you expect. Further, besides the financial implications, many providers are farming your clients’ data inappropriately with marginal and minimal disclosure. It would be best if you were more diligent than ever.

Fourth, your stack will become your firm’s competitive advantage. While you can do things like your peers in your association, your client needs, and team member capabilities should also drive your stack decisions. I believe you’ll build a stack for tax, a stack for CAS, and other functional areas in the firm. The training and transition may be a lengthy process, but in the end, you will have a collection of tools from suppliers you trust doing the work for clients in a secure and more accessible fashion. It would be best to chart your own stack to have a competitive advantage.

If you research your options and thoughtfully execute deploying each innovative technology and stack, you’ll build your own secret sauce. As a benefit, you’ll get out of the older past and into a brighter future that fits your firm’s strategy for your clients. Plus, you’ll get an excellent firm experience with a competitive advantage working in the best style for all involved.

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