Curve

How different would your firm's tax season productivity be if every client responded on time, with no badgering or chasing required?

Randy Johnston • Nov. 17, 2022

This Part 2 of the Practice Management Playbook series.
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How different would your firm's tax season productivity be if every client responded on time, with no badgering or chasing required? What if clients sent in their documents as they came in instead of waiting until the last possible minute? How

Getting all the documentation needed before you start an engagement is a key success factor, and portal tools like Liscio make all the above possible. The principles we will discuss can be applied to audit and CAS services in your firm, too. Still, we intend to focus this discussion on tax.

Locating people with the right skills or maturing your Staff to progress them from preparer to reviewer to quality reviewer and into the partner ranks is crucial. Unfortunately, many firms have given up finding and building talent, turning to outsourcing, but is that really the best solution? Could technology tools and other accounting automation provide the right improvements, leveraging the adage of working smarter, not harder?

While we have taught and begged firms to optimize their tax practices with workflow tools, scheduling software, trial balance software, document management, electronic organizers, eSignature, 1040 Workpaper solutions, tax planning, and more, one of the needs that have remained clumsy or unmet is the collaborative interaction of a well-thought-out portal. Firms that have adopted portals successfully point out their increase in productivity.

If you'd like to learn more about these various tools, consider my articles about Personal Tax Advisory, Do You Have a Clear Vision for Tax Document Automation?, or Client Experience for Today – Collaboration Is the New "Must Have."

The tools named in these articles can improve your client experience. A new site for practice improvement, The Grove, also has various resources to use in your practice. For example, Rob Smith's Streamlining Your Firm's 1040 Data Gathering Processes course shows how to use Microsoft OneNote to capture all 1040 documents as they come in, touch each tax document only once, and create a grid for the preparers to use once all documents are received.

Then, you can quickly see which documents are missing and request them through

deficiency with new accounting college graduates.

With the changes in the CPA exam, the CPA Evolution project is likely to aggravate the availability of new professionals even more. However, we will benefit from the new tax compliance and planning specialty. Further, while outsourced labor can improve your productivity immediately, it is hard to integrate outsourced personnel into your firm's culture. While they provide leverage to grow and eliminate the short-term pain, your existing team is still left with most of the business development, client interactions, and endless questions.

This year seems like the time for a herd of elephants in the room, with the second major issue being compliance with new security regulations like IRS Pub 5293, 4557, and Gramm-Leach-Bliley. Since all firms are now required to have a security plan, you should confirm that you have developed a plan, put the mechanisms to keep your plan updated, and choose tools that support your security initiatives.

While you can take courses like "Safeguarding Taxpayer Data – A Guide For Your Required Security Plan," that I wrote earlier this year, creating a plan, implementing Data Loss Prevention, and other supporting actions will keep this problem on the burner for some years to come.

Combating today's cybercriminals takes all of us working together. The Internal Revenue Service works with state tax agencies and the tax profession to fight these 21st-century identity thieves. Unfortunately, data thefts at tax professionals' offices are on the rise. Online providers also must follow the six security and privacy standards in Publication 1345, Handbook for Authorized IRS e-file Providers of Individual Income Tax Returns.

In addition, you fall under the PTIN and 4557 considerations if you prepare tax returns. You must understand the need to protect client data, the required security and privacy standards, and produce a security plan if you are a tax professional with

This article is the second of a Practice Management Playbook series designed to reveal what top firm leaders do consistently to enhance their firm's success by Randy Johnston. What do top firm leaders do consistently? And how do leaders know what to put in their playbook? When do top leaders update their plays, and when do they call an audible change?

The Practice Management Playbook series is a starting point for ideas for your playbook. We know that the best firms focus on an outstanding client experience delivered via a single portal, providing visibility for collaboration between the client and the firm. Managing or Leading partners also focus on their team members and firm experience, ensuring their Staff have great days using great tools. Top firm leaders continuously educate themselves through reading, events, and peers.

They try to understand what's causing speed bumps in the firm, look for solutions, and be open-minded about issues and resolutions. This series will include topics like a single portal, minimizing workloads at heavy times and throughout the year, improving collaborative client experience while integrating into your existing practice management or document management system, and locating clients and talent for the firm of all ages, all while maximizing profitability to the partners and the firm. If you have an idea to contribute to this series, please contact me at randyj@nmgi.com.

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Randy Johnston has been an entrepreneur, technologist, and teacher for most of his career. He has helped start and run many businesses, including Network Management Group, Inc. and K2 Enterprises. Randy has consulted with CPA firms in the US and Canada about technical topics like networks, accounting software, workflow, and CPA Firm technology, including practice management, document

He always takes time away from work to enjoy his family, church, and civic organizations.

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