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CPA Practice Advisor

EDITION

Today's Technology for Tor

EXCLUSIVE

CPA2Biz's GREG LAFOLLETTE Shares His Unique Perspective

Is It Time To Dump Tech Consulting?

Knowledge Management

How the Cloud Helps SMB Owners Relax on Vacation

PRODUCT REVIEWS:
– Payroll Systems
– Tax Planning

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October 2012
VOLUME 22, NUMBER 10

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CPA Practice Advisor
Today's Technology for Tomorrow's Firm

NSA Practice Advisor
Today's Technology for Tomorrow's Firm

800-547-7377 • www.CPAPracticeAdvisor.com

Practice Advisor, (ISSN #2160-8725 (print), ISSN #2160-8733 (digital); USPS #017-576) is published eight times a year (April/May, June, July, August, September, October, November and December) by Cygnus Business Media, Inc., incorporating two editions known as *CPA Practice Advisor* and *NSA Practice Advisor,* 1233 Janesville Avenue, Fort Atkinson, Wisconsin 53538. Periodicals postage paid at Fort Atkinson, WI 53538 and at additional mailing offices. Printed in the U.S.A.
Send all subscription inquiries or change of address to:
Practice Advisor,
PO Box 3258, Northbrook, IL 60065-3258.
Phone: (877) 382-9187 (toll free); 847-559-7598 (local)
Fax: (847) 564-9453
Email: Circ.CPA@omeda.com
Subscription Rates: The basic annual rate is $3, based on qualifying associations of 10,000 or more public accountants that may also subscribe for all their public accountant members (certain restrictive covenants apply) for a basic subscription rate of $9 per member for a three-year subscription.
One year subscription for all others: USA - $48; CAN $70 GST; INT'L $99 GST #131910168.
POSTMASTER, please send address changes to:
Practice Advisor, P.O. Box 3258, Northbrook, IL 60065-3258.
Canadian address changes to:
Canada Post PM40612608. Return Undeliverable Canadian Addresses to: *Practice Advisor,* PO Box 25542, London, ON N6C 6B2.

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Reflecting on 28 Years in the Profession…

It's hard to believe that I've been part of the accounting profession for nearly three decades! But here I am, approaching my 28th year. Apart from the shock of how fast time goes by, I'm also amazed at how far my firm has come and the changes in the profession as a whole. It's another milestone in my career, so it's as good a time as any to take a moment and reflect on things I've learned—as well as the things I wish someone had told me years ago.

As many of you know, I grew up in the accounting profession. My father ran his own small public accounting firm, which offered me a great deal of insight into how the profession operated at the time. I remember a manual process-driven environment, where payroll, tax returns, and financial statements were prepared and processed using pencil and paper. I also recall my father working long hours, experiencing a fair amount of stress during busy season, and that money was always tight before tax season started.

After I graduated from Indiana University, I went to work for Deloitte Haskins and Sells. The large firm environment offered a vastly different experience than working for my father. I learned a lot working for Deloitte, but my true passion was to own my own small firm. So after a few years, I returned to Bloomington, Indiana (home of Indiana University) and set up shop. With a narrow frame of reference, I did what I thought a firm owner should do—I took on any client that walked through the door and spent long hours at the office, working as a technician.

A few years into a highly tedious and tiring routine, I knew that there must be a better way to do things…to *work differently*. I wanted to cut down on hours in the office, build a revenue stream that I could count throughout the year, and develop a productive and confident staff that I could count on to manage the day-to-day stuff. And that is exactly what I did. I transformed my practice into what I call a **Next Generation Accounting Firm**. I defined my business model, implemented advanced technologies, and took back control of workflow by setting expectations up front with clients. I was finally working the way I wanted to work. Here was where the real lesson was learned…

After transitioning my firm, I remember closing the office and driving home during busy season, only to see other local firms were still open with several cars in the parking lot. I would take my family to dinner or be returning from my kid's basketball game late at night and still see the lights on in these other firms. I HAD created the firm I'd dreamed of—more revenue, less work hours— yet I remember feeling that something was still wrong…that I was missing something because I wasn't in the office until midnight.

I'm sure that you are thinking this is crazy… that I should have been satisfied with my circumstances. And you're right, I should have been. What I finally realized was that even though I had accomplished building a next-generation firm and was *working* differently, I still wasn't *thinking* differently. That was the next change that needed to occur.

What does "thinking differently" mean? It means you don't have to do things the way they've always been done. It means building your practice around the life you want to lead and not killing yourself during tax season. It means working when and from where you want to work—using a laptop or mobile device. It means realizing that building a Next Generation Accounting Firm means you are free from the role of technician and that guilt has no place in your new and efficient world!

Building your own Next Generation Accounting Firm is not out of reach. In fact, the steps are simple. I teach a class called "The Next Generation Accounting Firm," which incorporates three simple ideas:

- **Define** what it is you do best and who you want to serve
- **Communicate** your defined message to the right audience
- **Deliver** your services via an advanced, standardized system

For me, building a streamlined business is much more enjoyable than preparing tax returns. By thinking differently about how you build (or re-build) your next-generation practice, you can also accomplish the work/life balance you desire. For more insight, also read my feature article in this issue where I interview friend and mentor, Greg LaFollette. Greg provides some great advice for those who have been in the profession for years and those thinking about starting their own firms. ●

M. Darren Root, CPA.CITP
Executive Editor

CPA Practice Advisor
VOLUME 22, NUMBER 10
Today's Technology for Tomorrow's Firm

FOR YEARS WE'VE BEEN TEACHING ACCOUNTANTS HOW TO "USE" TECHNOLOGY TO DO WHAT ACCOUNTANTS HAVE ALWAYS DONE, BUT *DO IT FASTER*. NOW WE'RE TEACHING ACCOUNTANTS HOW TO DO THINGS THEY'VE *NEVER DONE* BEFORE.

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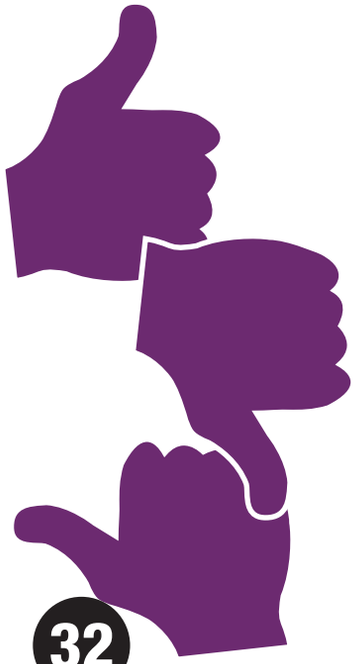

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Picking the Brain of Greg LaFollette

There are few accounting professionals that have had the opportunity to serve in multiple roles and gain insight from several unique vantage points over the course of their career. Greg LaFollette is one of the few. I met Greg early in my career. He quickly became a friend, then a mentor, and today is a well-respected colleague.

As a part of our executive series, I wanted to include Greg and share his vast knowledge of the profession with our readers. Because Greg has served in numerous roles—from firm partner to Executive Editor of a leading trade publication—he offers a distinct and relevant perspective on the profession and where it is heading.

To begin, I would like to offer a snapshot of Greg's background:

- Practiced public accounting for more than 27 years.
- Served as a partner in a large CPA firm in Sioux Falls, South Dakota.
- Held the position of VP of Product Strategy at Thomson Reuters (then called Thomson Tax and Accounting).
- Served as Executive Editor of *The CPA Software News*, which he transformed into *The CPA Technology Advisor*—launching the digital version of the publication and advancing the magazine to a top-three trade publication.
- Currently serves as VP of Product Strategy for CPA2Biz—focusing on helping accounting firms to move to the Cloud and work differently.

Greg has had a great impact on the profession and on me personally. It was during Greg's time at Thomson Reuters that we became acquainted. It wasn't long after getting to know each other that I received a call from Greg, requesting that I be part of a product advisory group for Thomson.

A few years into our relationship, I met up with Greg at the Thomson Reuters Users' Conference. By this time, Greg had assumed the role of Executive Editor of *The CPA Technology Advisor*. I relayed to Greg that I admired what he was doing for the profession and that I would like to follow in his footsteps. He responded by telling me that he was approaching 60 and thinking about an exit plan, and that we would most certainly talk.

A few weeks later, our mentor-mentee relationship began. He enlightened me to the inner-workings of the magazine and how to be a consultant to the vendor community and the profession as a whole. We've been friends and colleagues ever since.

Today, as Executive Editor of *CPA Practice Advisor*, I have the opportunity to bring Greg's knowledge to the forefront and share it with our readers…just as he shared it with me, one-on-one, over the years. While we were both in Chicago recently, I had the chance to sit down with him and ask him a slew of questions.

DARREN: *How many years did you actively practice in public accounting?*

GREG: Twenty-seven—from 1972 until I joined Thomson in 1999.

DARREN: *Tell me a little about the practice you ran?*

GREG: It's a large local firm in Sioux Falls, South Dakota—full-service with about 20 staff. The firm still exists and my former partners are still my good friends. I occasionally take bagels in on a random tax-season Saturday.

DARREN: *You spend a lot of time at the CPA2biz offices in New York and California and you're on the road speaking often –where's "home"?*

GREG: I choose to live in my hometown of Sioux Falls, South Dakota. When I'm there, I office with Eide Bailly. That way I get to hang around practicing accountants (I love the smell of tax reruns in the spring!) The partners at EB are very kind and I very much appreciate their ongoing hospitality.

DARREN: *What are the core differences from when you ran your firm to running a firm today?*

GREG: Back then we were the only technology-oriented, fixed-fee billing firm I knew of. Even so, we still worked way too hard at about 2,800 to 3,000 hours a year. We were a generalist firm, took what walked through the door. It was almost impossible to be a niche firm back then. Today, technology enables a firm to specialize because it removes time and geography. I worked the 2800 hours at my desk 35 years ago, which was a lot of time away from my family. Today, if I were doing it again, I would probably work as much, but I would do it when I want from where I want, and often times in bits and pieces.

DARREN: *You ran a CPA firm, served as VP of Product Strategy at Thomson Reuters, turned CPA Technology Advisor (now CPA Practice Advisor) into a premier publication, and now lead product strategy for CPA2biz. That's an expansive, diverse career. Tell me, if you were starting a new practice today, with all your experience, what would your vision of that practice be?*

GREG: I would be way more focused on what I do, how I do it, and for whom I do it. I would grow a practice to support the lifestyle I want to live. You teach this stuff everyday, Darren. You tell firms to create a business model first…I agree with you I would ask myself what kind of business I want to run, and then I would create it. From a technology standpoint, I would include a great big fat Internet pipe, a firewall, a router, a scanner, and some low-end computers. Oh hell, and I suppose I'd get forced into buying at least one printer, too.

DARREN: *It seems the rate of change in technology is faster today than ever. With that said, what do you see as the biggest challenge facing firms today?*

GREG: The movement from premise-based to SaaS is perceived as very technologically challenging. It's not. The biggest challenge here, hands down, is staff and client management and standardization of workflows. The next biggest challenge is getting firms to think differently about the services they provide. The services they have traditionally provided are not necessarily the ones clients have wanted or will want in the future. Firms have to understand this and implement the technology to help them deliver these new services.

DARREN: *What would you say is the one thing (or two) that has given you the greatest satisfaction?*

GREG: I had a great mentor early in my career. Walt Schaefer was my boss when I was business manager at a social services agency. He taught me the power of "connections." Today, I pride myself on knowing almost everybody in the accounting technology world. Years ago, I founded a gathering that's now known as the SaaS Executive Roundtable and every January 50+ CEOs of technology companies that serve the profession come together to spend two days trying to figure out, collectively, how to do it better.

Other high points have been the opportunity to associate with great people. I've had great talent work for me (Theresa Mackintosh when we

were both at Thomson), and with me (Darren Root as we prepared the transition when I left the magazine). I've also worked for great people, most notably my current boss at CPA2Biz, Erik Asgeirsson. Each of these people has and is still making a profound impact on the profession. It doesn't get any better then that!

DARREN: *If you were advising a 25-year-old CPA looking to get into public practice today but with a desire to break the "traditional accounting firm mold" of long hours, etc… what advice would you give?*

GREG: Make sure YOU control the CPA-client relationship. You're the expert and as such you design the process and define the tool set. The fee dollar you collect by going outside of your standardized system will be the most expensive dollar you ever earn!

DARREN: *What do you see as two of the most exciting technologies that firm owners should be paying attention to today?*

GREG: Easy—Cloud and mobile. They make each other possible and relevant. In five to seven years there will be no more premise-based software in public accounting. Everything will be Cloud-based, and everyone will access whatever he or she wants, whenever they want it, using whatever device they choose. And those devises will be mostly mobile.

DARREN: *Over the past few years, CPA2Biz has evolved to include a technology product mix. More specifically, you guys have adopted Cloud messaging. What do you see as CPA2biz's role in the accounting space over the next several years?*

GREG: For years we've been teaching accountants how to "use" technology to do what accountants have always done, but do it faster. Now we're teaching accountants how to do things they've never done before.

DARREN: *Help our readers understand what it means that you lead product strategy and what CPA2biz's role is here?*

GREG: As you might imagine, we have many opportunities to partner with different vendors, representing many different products. Most are good, some not so much, and a few are excellent. Product Strategy listens to the marketplace (practitioners) to identify pain points, match them with solutions, and then size and sequence those opportunities. In other words, we go find best-of-breed products that will be most helpful to the profession and then present those products as part of our Trusted Business Advisor program.

DARREN: *You guys are launching a new event this October—the Digital CPA Conference. What is the goal of this conference and who should attend?*

GREG: *Digital CPA* is the first-ever, Cloud user conference. It's offered and co-sponsored by the AICPA and our strategic business solutions partners. It's designed to help firms embrace Cloud technology as a strategic opportunity to move to a truly digital practice. There are several key groups that should attend, including client accounting services practice leaders; staff and users of our Cloud solutions, including Intacct, Bill.com, XCM, Confirmation.com, and Paychex; technology champions responsible for implementing Cloud solutions in their firms; and marketing directors or new business development directors.

DARREN: *One of the biggest challenges firm leaders face today is finding and selecting the right technology solutions. This is not an easy task, but an incredibly important one, because the right technology drives everything from firm workflow to profitability. What advice would you give firm leaders trying to navigate and make these decisions?*

GREG: Selecting the right technology solutions is a really big challenge for firms. That's why suites have done so well over the past dozen or so years. Firms used to be "best-of-breed" decision makers, and then the big suites started to come in and most of us migrated to a "good enough" style. In other words, if I needed a depreciation program, I would just buy the module from my suite, assuming is was good enough, but knowing full well that it wasn't best of breed.

I see the Cloud changing that approach, and firms are beginning to use the Cloud to hook best-of-breed products to other best-of-breed products. It really is going to boil down to workflow, so "good enough" might not be good enough anymore if it affects workflow in a negative way. Vendors must open their platforms to allow other leading Cloud vendors to connect. This will be really powerful for the profession.

DARREN: *While you don't seem to have retirement in mind any time soon, what advice do you have for the 50 or 60-somethings out there on positioning themselves for firm succession?*

GREG: You're right; I'm not going anywhere. As long as I'm having fun (and I am), my health is good (and it is), and my wife tolerates my crazy schedule (and she does), I'll be right here trying to help firms work smarter and serve their clients more collaboratively. My advice to my almost-the-same-aged colleagues is to apply the same criteria, and keep having fun!

I would also say to build a firm that allows you to do whatever you want from wherever you want and enjoy it. Have fun, there is no set rule that when you hit 65 that says you have to stop having fun. I would also suggest that you find someone to mentor, because what you will find is that you learn just as much from the relationship as the person you are mentoring.

Greg LaFollette, CPA.CITP

How the Cloud is Helping Some Reduce Stress on Vacation

In our September issue, we focused many of our articles and columns on how the cloud is helping to change the way tax and accounting firms do business. The benefits have reached firms of all sizes, helping streamline internal workflow processes, as well as their client relationships.

Many small businesses are also reaping the same rewards, since mobile tools and web-based business management, sales tools and accounting systems help business owners stay on top of processes and day-to-day operations, regardless of where they are.

Isaac M. O'Bannon, Editor

Isaac is the Editor for CPA Practice Advisor, having joined the publication in September 2002. Through his experience in the areas of consumer and professional-level software and peripherals, as well as knowledge of the public accounting field, he provides reviews of technologies used by accountants and their business clients as well as contributing a regular column that provides helpful information that ranges from improving search techniques to when to upgrade a computer to computing security issues. He can be reached at isaac.obannon@cpapracticeadvisor.com.

Although some professionals may look at this "always plugged in" lifestyle as being a drawback, a recent report showed that most small business owners actually appreciate the freedom it gives them, whether they're on the road for business, to attend their children's activities or just to spend time with the family.

In the past, many small business owners have reported that regardless of financial capability, they were unable to take vacations as often as desired, or to fully enjoy their vacations when they did take one. After all, there are no paid vacation days for the owners of small businesses, and for the smallest, taking a day or more off often means that the lights, and revenue, go dark during that time.

Accountants in small practices likely can empathize with this premise, since your clients don't go on vacation at the same time, and may still need assistance with payroll and accounting issues. Even for accountants and entrepreneurs who've reached the stage where they can let another person oversee operations and client interaction for awhile (whether a few days or weeks), there can be control issues, as well as the lingering compulsion to check in on things and clients, to micro-manage from afar.

Cloud computing and mobile devices, from smart phones and tablets to netbooks, are relieving much of this anxiety. The survey of more than 1,200 entrepreneurs, which was conducted in late spring as part of the Manta SMB Wellness Index, showed that a little less than half of small business owners planned to take a vacation over this past summer.

While the above mentioned control issues, business pressures and the current economy certainly all played varying roles in their decisions, the report did not summarize the types of businesses surveyed. This could also affect a decision on a summer vacation, since those with peak sales or volume seasons during the middle of the year also would be unlikely to schedule a vacation during their busy season. That would be like asking a tax professional if they planned on taking a week off in early April.

TECHNOLOGIES ARE EASING THEIR STRESS AND 60 PERCENT OF THOSE PLANNING A VACATION SAID THAT MOBILE ACCESS WOULD ACTUALLY HELP THEM ENJOY THEIR VACATION MORE.

Another reason for less than half of those surveyed planning a vacation is that 60 percent of the respondents expected to be working more this year overall than they did last year.

However, for those who said they were planning on taking a vacation, the cloud and mobile technologies played a role in the decision. This is because they say that these technologies allow them to stay in contact with their business and clients while they are away.

While only a few short years ago taking work on vacation might have sounded depressing to some professionals, the new reality is that small business' workflow becomes a logjam, and many don't envy the thought of coming back to a backlog of tasks and issues. So these technologies are easing their stress and 60 percent of those planning a vacation said that mobile access would actually help them enjoy their vacation more.

SMALL BUSINESSES & MOBILE TECH

- 71% access emails or documents while on vacation
- 60% say they enjoy vacation more because of mobile devices
- 68% use mobile devices while also at their computers
- 24% use their mobile device for business every day

Source: Manta SMB Wellness Index

Now that the summer is pretty much in the rear view mirror and you and other tax and accounting professionals are getting ready for the fall season, consider these questions about yourself and your practice, because they are likely representative of your small business clients of similar size.

- Are you a partner, principle or owner of a small firm?
- Did you take a vacation this summer?
- If so, did you use mobile technologies to perform work or check in on client activities while you were on vacation? How often?
- Did it help you enjoy your vacation more than if you didn't have that access?

BASIC SYSTEM FUNCTIONS
- General Navigation/Ease-of-Use
- Designed for Accounting Professionals
- Concurrent Users
- Scalability (number of payrolls handled)
- Multiple Pricing Options
- Multi-Client Management
- Payroll Tax Tables (for all states, jurisdictions, municipalities)
- After-the-Fact Payroll
- Multi-State Taxes
- Direct Deposit

REPORTING & MONITORING
- Compliance Due Date Tracking/Monitoring
- Quarterly & Annual Forms for all States
- E-filing & Payment
- Customizable Reports
- Dashboards for Employee Management
- Workers' Comp Tracking

INTEGRATION/IMPORT/EXPORT
- Integration w/programs
- Integration w/external programs (GL export, etc.)
- Built-in Timesheet Management
- Time Clock Import
- Web timesheet/phone time reporting support
- Data import/export formats supported

HELP/SUPPORT
- Built-in Support Features
- System updates (best if downloadable or automatic download)
- Support website/documentation
- Templates for creating employer instructions to employees
- Live Support (includes phone)
- Live Support days/hours/location
- Dedicated account rep assigned

CLIENT SELF-SERVICE FEATURES
- Employee Self-Service Portals
- Client Portals for Data Entry & Reporting
- Firm-Branded
- Paycheck Stub & W-2 Portal Delivery

Steven M. Phelan, CPA
Steven is currently a tax manager at North Bay Associates, a family group office based in Oklahoma City, Oklahoma. He also owns a small tax and accounting practice as a side business. Prior to this, he spent 12 years in public accounting practice, with a primary focus on tax and technology consulting. He is active within the CPA profession and is a frequent speaker at various seminars and conferences throughout Oklahoma.

11 Payroll Systems for Professional Firms

Tax legislation over the past few years has affected many tax types and payroll tax has been no exception. Legislation put into effect in January 2012 continued that trend. Payroll tax affects an overwhelming majority of the workers in the United States and the current tax uncertainties remain a huge issue.

Tax and accounting professionals are well positioned to provide the planning, guidance and compliance necessary for the current and potential changes. The software reviewed in this section will help provide tax and accounting professionals the tools required during this time of uncertainty.

Most products reviewed here are designed with professionals in mind and offer a mixture of tools to enhance payroll service offerings. Additionally, all the products offer core processing features that are strong enough to handle the most complicated payroll needs.

Several payroll processing methods are available and allow tax and accounting professionals to choose the one best suited to their respective service offerings. These methods also allow the accountant to assume different levels of responsibility for the payroll, from end-to-end processing to quarterly compliance, as well as collaboration with clients on payroll issues.

Commonly requested features, such as time keeping functions and direct deposit are present in nearly all products. Each payroll solution is also highly automated to reduce error rates and time spent processing payroll. One area of strength within each payroll solution is the amount of help and support included.

The help and support systems in place generally offer strong assistance features to ease the issues and burdens that come with payroll compliance. Moreover, each vendor commonly includes these help and support offerings with the annual licensing costs.

Payroll vendors have adapted to the changing consumer market and many are offering next generation services to clients and sometimes employees. Nearly all vendors provide some level of employee self-service portal which helps reduce the administrative burden of providing paper copies of paystubs to employees.

With the overwhelming presence of mobile devices today, payroll vendors are also in the process of implementing mobile applications, providing access to reports, processing payrolls and some data entry functions.

There are a handful of differentiators among the payroll solutions with one of the largest being after-the-fact payroll. Not all payroll vendors incorporate this module into their payroll solutions and those that do tend to treat after-the fact payroll as an extension as opposed to a dedicated module.

This greatly decreases the feature's usefulness in most instances. Human resource functions are not generally included for solutions designed for the desktop while Internet-based solutions tend to include rudimentary capabilities with available add-ons for full featured HR management.

All the solutions will import some level of data through Microsoft Excel and CSV file formats. Payroll solutions that are not part of a suite of products are usually limited to a fixed number of products for integration.

With the next generation service offerings being improved upon and the help and support options provided, tax and accounting professionals have the opportunity to be well positioned in the payroll service area. Payroll solutions available today can aid in creating new revenue streams and profitability for tax and accounting professionals.

Accountants offering payroll services are also in a position to gain additional work through frequently interacting with current clients' most valuable assets, their employees.

MORE ONLINE: See these reviews PLUS coverage of payroll systems from Cougar Mountain Software, Paychex and Pensoft at www.CPAPracticeAdvisor.com/10773671

Intuit Online Payroll for Accounting Professionals

2012 OVERALL RATING ★★★★½

BEST FIRM FIT
Accounting professionals mainly reliant on the QuickBooks accounting software platform but need a higher level of outsourced payroll support

STRENGTHS
- Internet-based solution to allow anytime payroll processing
- Provide platform for collaborating with clients on various payroll tasks
- Much improved mobile applications
- Predictable pricing to help ensure profitability

POTENTIAL LIMITATIONS
- No HR functions or add-in modules available
- Concurrent file access not allowed
- No after-the-fact payroll capabilities

SUMMARY & PRICING
Online Payroll for Accounting Professionals provides accounting professionals a web-based platform to process payroll virtually anywhere with an Internet connection.

A unique aspect of the service allows the client to collaborate directly with the accounting professional through various levels of user rights. This allows the client to be as involved or uninvolved as necessary. With the new improvements to the mobile application and addition of job costing capabilities, Online Payroll for Accounting Professionals presents a solid solution for accounting professionals.

All pricing is fixed per client and is on a tiered pricing structure determined by number of clients using the service. Priced at $19.99 per month, per client, accounting professionals may process up to five separate clients, each with up to five employees. Based on the number of clients processed, monthly pricing may be as low as $10.99 per client. Pricing for employees in excess of five within each company is priced at $0.50 per month. All pricing includes unlimited payroll runs, direct deposit, all noted integrations and electronic tax payments and filings.

★★★★½	BASIC SYSTEM FUNCTIONS
★★★★½	REPORTING & MONITORING
★★★★½	INTEGRATION/IMPORT/EXPORT
★★★★★	HELP/SUPPORT
★★★★★	CLIENT SELF-SERVICE FEATURES

Read the full review of this product exclusively online at www.CPAPracticeAdvisor.com/10773696

888-236-9501
www.accountant.intuit.com/payroll

Red Wing Software, Inc. - CenterPoint Payroll

2012 OVERALL RATING ★★★★½

BEST FIRM FIT

Organizations looking for a fully customizable, in-house solution to meet a variety of payroll needs

STRENGTHS

- Highly customizable user interface
- Ability to allocate payroll across multiple departments, locations and pay rates
- Strong reporting capabilities
- High level of support for end users

POTENTIAL LIMITATIONS

- Multiple add-on modules may be required to achieve full payroll capabilities
- Not designed for high volume payrolls

SUMMARY & PRICING

CenterPoint Payroll is a highly customizable payroll solution that can be modified to fit the payroll needs of virtually any organization. CenterPoint offers flexible pay rate and department allocations through an intuitive user interface. With a SQL database platform, the program is stable and provides a shared platform for add-on product functionality as well as strong reporting capabilities.

Pricing for a single company and one state starts at $795. Several add-on modules are available and are priced dependent on module. Additional user seats are available for $295 per seat. Support is offered in multiple tiers and starts at $550 per year (for one user seat), and an additional $80 for each additional concurrent user.

★★★★★	BASIC SYSTEM FUNCTIONS
★★★★★	REPORTING & MONITORING
★★★★☆	INTEGRATION/IMPORT/EXPORT
★★★★★	HELP/SUPPORT
★★★★	CLIENT SELF-SERVICE FEATURES

Read the full review of this product exclusively online at www.CPAPracticeAdvisor.com/10773704

800-732-9464
www.redwingsoftware.com

Paramount Software - Crest Payroll

2012 OVERALL RATING ★★★★★

BEST FIT

Firms seeking an automated payroll preparation and compliance system that can support any number of businesses, provides client-side and employee self-service tools, free direct deposit, and quarterly/annual reporting handled and guaranteed by the vendor at no extra cost and with no impounding.

STRENGTHS

- Fully web-based
- Can integrate with firm website with firm branding
- Custom batch reporting
- Wholesale payroll options
- All-inclusive pricing, no add-on charges
- Full HR module
- Automated, guaranteed reporting
- Supports multi-state employees

POTENTIAL LIMITATIONS

- Online support options could be more plentiful

SUMMARY & PRICING

With the latest update and redesign of Crest Payroll, it has remained very user friendly but is among the most comprehensive payroll solutions for professionals managing any number of clients of any size. It includes full compliance reporting at the federal, state and local levels that is performed and guaranteed by the vendor at no additional cost, has excellent drag and drop customization options , and has a full HR system included.

Additionally, it offers client and employee self service options that can be completely tailored by each firm on a client-by-client basis, and the firm can brand the portals so that the client relationship remains strong. Pricing for the program is based on the total number of client employers, starting at about $17 per month per client, and going under $12 per client per month. All functions and services are provided at no additional cost, including website integration, Direct Deposit, compliance reporting and the HR tools.

★★★★★	BASIC SYSTEM FUNCTIONS
★★★★★	REPORTING & MONITORING
★★★★★	INTEGRATION/IMPORT/EXPORT
★★★★★	HELP/SUPPORT
★★★★★	CLIENT SELF-SERVICE FEATURES

Read the full review of this product exclusively online at www.CPAPracticeAdvisor.com/10773702

888-400-1613 **www.ParamountSoftware.com**

QuickBooks Payroll Enhanced for Accountants

2012 OVERALL RATING ★★★★½

BEST FIRM FIT

Accounting professionals currently using QuickBooks extensively throughout their practice who need a cost effective way to manage live and after-the-fact payroll

STRENGTHS

- Cost effective service to enhance payroll functions built into QuickBooks
- Full range of custom reporting capabilities
- After-the-fact payroll is included in pricing
- Unlimited processing for up to 50 EINs

POTENTIAL LIMITATIONS

- Employee self-service offerings are not as strong as competitor solutions
- Must maintain QuickBooks within a three version cycle to continue payroll processing.

SUMMARY & PRICING

Intuit QuickBooks Payroll Enhanced for Accountants is a payroll service solution for existing users of QuickBooks accounting software. The service unlocks all payroll functions within QuickBooks and allows accounting professionals to process live and after-the-fact payroll. Since all payroll processing is done inside the QuickBooks accounting software, complete end-to-end accounting can be achieved within one software solution.

First year pricing for Payroll Enhanced for Accountants is $316 and allows unlimited live and after-the-fact payroll processing for up to 50 unique EINs. Payroll Enhanced for Accountants may also be bundled with the Intuit ProAdvisor membership at a discounted rate. Other discounts and special pricing offers may be offered throughout the year.

★★★★★	BASIC SYSTEM FUNCTIONS
★★★★★	REPORTING & MONITORING
★★★★½	INTEGRATION/IMPORT/EXPORT
★★★★★	HELP/SUPPORT
★★★★☆	CLIENT SELF-SERVICE FEATURES

Read the full review of this product exclusively online at www.CPAPracticeAdvisor.com/10773683

888-236-9501 **www.accountant.intuit.com/payroll**

CompuPay PayrollOnline

2012 OVERALL RATING ★★★★½

BEST FIRM FIT

Larger organizations looking for an Internet based solution or that may require more support and guidance on processing payroll

STRENGTHS

- Employee portal is included with the service
- Strong support options are included
- Company setup is controlled by CompuPay to ensure accuracy
- High level of customization capabilities, though may require additional costs

POTENTIAL LIMITATIONS

- Very little human resource management functions
- Internet Explorer is the only officially supported browser by CompuPay

SUMMARY & PRICING

PayrollOnline is among the top-tier of online payroll service providers. Intended for businesses with up to 1,000 employees, the web based service offers comprehensive capabilities. Quality training and support are among the core competencies offered by PayrollOnline and CompuPay team members are available to assist customers with all payroll processing needs.

Pricing for PayrollOnline is dependent on level of service, pay frequency and number of paychecks processed. The basic service level offering including all compliance filings, direct deposit and online employee access for 10 employees runs $71.25 per biweekly payroll.

★★★★★	BASIC SYSTEM FUNCTIONS
★★★★½	REPORTING & MONITORING
★★★★☆	INTEGRATION/IMPORT/EXPORT
★★★★★	HELP/SUPPORT
★★★★★	CLIENT SELF-SERVICE FEATURES

Read the full review of this product exclusively online at www.CPAPracticeAdvisor.com/10773674

877-729-6299 **www.compupay.com**

SurePayroll

2012 OVERALL RATING ★★★★½

BEST FIRM FIT

Accounting professionals looking for a payroll service resell opportunity for their clients and to centrally manage multiple client payrolls

STRENGTHS

- Strong Internet and mobile apps
- Patent-Pending One-Click Payroll to process payroll
- Large number of third-party add-ons available
- Strong third-party accounting and timekeeping integration points

POTENTIAL LIMITATIONS

- Limited reporting capabilities
- Maximum employee count of 100 for each company file

SUMMARY & PRICING

SurePayroll is a good fit for businesses that have basic payroll needs and desire a more paperless solution. SurePayroll is also a good fit for accounting professionals looking for a resale opportunity. Billing for accounting professionals can be sent directly to the accounting professional or to the client with a built in markup.

Pricing for services is based upon the number of payroll runs and employees and includes all payroll processing, direct deposits and associated reporting requirements. A bi-weekly or semi-monthly payroll starts at a base fee of $30.95 plus $1.85 for each employee. These costs will be incurred for each payroll run. Annual W-2 processing costs are currently $40 per company plus $4.25 per employee.

★★★★★	BASIC SYSTEM FUNCTIONS
★★★★½	REPORTING & MONITORING
★★★★½	INTEGRATION/IMPORT/EXPORT
★★★★★	HELP/SUPPORT
★★★★½	CLIENT SELF-SERVICE FEATURES

Read the full review of this product exclusively online at www.CPAPracticeAdvisor.com/10773716

877-954-7873 **www.surepayroll.com**

Thomson Reuters – Accounting CS Payroll

2012 OVERALL RATING ★★★★★

BEST FIRM FIT

Accounting firms processing a large volume of small client payroll for their clients.

STRENGTHS

- Batch process multiple payrolls at one time
- Multiple integration points
- Strong employee self-service offerings

POTENTIAL LIMITATIONS

- Must purchase accounting solution to process payroll
- Very little human resource management capabilities

SUMMARY & PRICING

Accounting CS Payroll is designed specifically for accountants in public practice to process payroll for multiple companies. Public accountants are provided the necessary tools to perform a variety of accounting functions. As with most products in the Thomson Reuters CS Professional Suite, Accounting CS Payroll may be purchased as a traditional desktop or network solution or as a hosted solution.

Pricing for the Accounting CS Payroll starts at $2,400 and allows for processing payroll for up to 20 companies. Additional payroll processing may be purchased in five-client bundles. Renewal pricing is offered as a minimal percentage of the initial purchase.

★★★★★	BASIC SYSTEM FUNCTIONS
★★★★★	REPORTING & MONITORING
★★★★★	INTEGRATION/IMPORT/EXPORT
★★★★★	HELP/SUPPORT
★★★★★	CLIENT SELF-SERVICE FEATURES

Read the full review of this product exclusively online at www.CPAPracticeAdvisor.com/10774114

800-968-8900 **CS.ThomsonReuters.com**

RUN Powered by ADP Payroll for Accountants

2012 OVERALL RATING ★★★★½

BEST FIRM FIT

Accounting professionals looking to provide full service payroll options to small businesses with 100 or fewer employees and prefer a web-based interface

STRENGTHS

- Internet-based to achieve anytime, anywhere payroll processing
- Integrates with most accounting software currently used by small businesses
- Phone and e-mail support is provided and on-demand help is accessible from virtually every screen
- Fully outsourced compliance filing and tax payments
- Scalable to meet the growing demands of client needs
- Enables accounting professionals a solution that helps their clients to comply with payroll and HR rules and regulations

POTENTIAL LIMITATIONS

- Employee self-service portal is not as fully-featured as competitors
- Add-on modules required to achieve full HR and employee management functions

SUMMARY & PRICING

RUN Powered by ADP Payroll for Accountants is designed for accounting professionals looking to provide full service payroll options to small business clients with 100 or fewer employees who prefer a web-based payroll solution. Built-on the RUN platform offered by ADP to small businesses, this service is modified to allow accounting professionals to turn payroll service offerings into a revenue stream, quickly and efficiently.

All payroll compliance is processed through the RUN platform and is handled by ADP which relieves the compliance burdens from the accounting professional. Standard pricing for the full service offerings is $60 per client, per month plus a nominal per check processing fee.

Scaled back service offerings are available and are priced at $22 per client, per month, for unlimited payrolls. The HR411 add-on module to manage employees and benefits is offered in payroll service bundles and is generally priced around $40 per month, per client.

★★★★½	BASIC SYSTEM FUNCTIONS
★★★★½	REPORTING & MONITORING
★★★★	INTEGRATION/IMPORT/EXPORT
★★★★★	HELP/SUPPORT
★★★★½	CLIENT SELF-SERVICE FEATURES

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Sage HRMS 2012

2012 OVERALL RATING ★★★★½

BEST FIRM FIT

Organizations seeking a comprehensive in-house solution to manage payroll and human resource functions for up to 1,000 employees

STRENGTHS

- Strong SQL database platform to ensure data is shared accurately
- Ability to process US and Canadian payroll
- Employee history is available at any time without changing years
- Two licenses of SAP Crystal Reports included to enhance reporting needs

POTENTIAL LIMITATIONS

- Only available as onsite server/workstation/desktop solution
- Electronic filing of forms is handled by third party

SUMMARY & PRICING

Sage HRMS is a highly customizable payroll solution that combines strong human resource management functions. Sage HRMS is built on a sturdy SQL database and provides a number of add-on components to further enhance the system capabilities.

All information within the system is tightly integrated and is easily shared between each add-on system component. Pricing is based on the number of employees, end users and add-on components required. Other pricing considerations include support and maintenance agreement and any upfront implementation and setup of the system.

Human resource functions as well as payroll processing for up to 100 employees starts around $2,500. Discount pricing is available to users enrolled in the Sage Accountants Network.

sage

- ★★★★★ BASIC SYSTEM FUNCTIONS
- ★★★★½ REPORTING & MONITORING
- ★★★★☆ INTEGRATION/IMPORT/EXPORT
- ★★★★★ HELP/SUPPORT
- ★★★★½ CLIENT SELF-SERVICE FEATURES

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Advanced Micro Solutions — 1099-Etc

2012 OVERALL RATING ★★★★☆

BEST FIRM FIT

Accounting professionals providing annual and quarterly payroll reporting for any number of clients with under 100 employees each, including live and after-the-fact payrolls.

STRENGTHS

- Cost effective system to achieve payroll compliance reporting
- Integration with popular small business accounting software to provide quick compliance reporting
- Strong help and support options included in annual licensing costs

POTENTIAL LIMITATIONS

- Electronic filing capabilities are not as complete as competitors
- Many states will need to be processed manually through an add-on module

1099-Etc is a forms processing software designed to process year-end and quarterly payroll information. 1099-Etc is a core module in a suite of add-on modules that provide accounting professionals a complete payroll processing solution. 1099-Etc may also be implemented as an internal compliance reporting software for business organizations filing a large number of 1099s.

SUMMARY & PRICING

1099-Etc is designed primarily as an annual and quarterly payroll reporting solution. Several add-on modules are available to enhance the solution and provide additional payroll processing capabilities. All new and renewing users are provided a wide range of help and support options all of which are included in the software licensing costs. The affordable system is based on the core 1099-Etc module, which includes everything necessary to prepare any number of Forms W-2 and 1099. A complete system for processing live, after-the-fact and performing quarterly/annual reporting can be purchased for about $400.

AMS
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★★★★☆	BASIC SYSTEM FUNCTIONS
★★★★	REPORTING & MONITORING
★★★★	INTEGRATION/IMPORT/EXPORT
★★★★★	HELP/SUPPORT
N/A	CLIENT SELF-SERVICE FEATURES

Read the full review of this product exclusively online at www.CPAPracticeAdvisor.com/10773665

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SPONSORED CONTENT

FIRST-HAND

PARTNERS IN PAYROLL

Finding the right tools for your practice is essential to your productivity and success. This is especially so for firms that manage payroll for their clients. Alan Goldberg knows this firsthand.

The CPA, who is the owner of small general accountancy in New York City, is also the owner of the not-so-small NannyTax.com, a service bureau that specializes in managing household employment tax reporting, as well as commercial payroll. With 1099-Etc as the firm's key technology, NannyTax has grown over the years to be one of the largest in its field in the country, producing thousands of quarterly and annual returns per year for clients in 20 states.

ALAN GOLDBERG, CPA
Founder & Owner
Alan L. Goldberg CPAs & NannyTax.com

Alan says that 1099-Etc is critical to the growth they've achieved because of the efficiency of the system, multiple data entry methods and batch processing features that include collating of 941s, instructions, state forms and instructions and cover letters.

CUSTOMER SERVICE IS MOST IMPORTANT

Alan's favorite feature of 1099-Etc, however, is in the support and personalized service he receives from Advanced Micro Solutions (AMS), the maker of the program.

"When implementing the new pay stub requirement for New York household employers, we needed some customization done to the program," he said. "They listened and within a few days had an update to the program that was not only in compliance with the new requirement, but offered more value and information to clients. And when you provide more value to your client, you can bill more."

Over the more than 20 years that Alan has been using 1099-Etc, AMS has done many other customizations to the system based on feedback from Alan and other customers, he said, adding that support is included in pricing and the staff is knowledgeable.

THE BOTTOM LINE

"AMS is my partner in payroll processing. They are super responsive to programming needs, and on top of the needs of payroll providers, because they monitor compliance issues on a real time basis."

CPA Practice Advisor

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2012 OVERALL RATING ★★★★★

BEST FIRM FIT

Accountants in public practice looking to expand service offerings or process payroll in a cost effective manner without the administrative burden

STRENGTHS

- Designed with accounting professionals in mind
- Good management and analytical tools
- Fully automated for payments and compliance filings
- Web presence may be branded
- Mobile application includes payroll processing, compliance and reporting

POTENTIAL LIMITATIONS

- Limited human resource and benefit management capabilities
- Comprehensive set of reports provides little customization

SUMMARY & PRICING

Payroll Relief provides a fully automated payroll system designed specifically for accountants. Available as a web based product and through the newly released mobile offering, payroll may be processed from virtually anywhere. First year pricing is set at $997 and provides for unlimited payroll runs, payroll checks and direct deposits.

Subsequent year pricing is split between two pricing options; per paycheck and per payroll. Per paycheck pricing starts at $1.25 per paycheck, regardless of payroll frequency, for up to 1,600 paychecks. Pricing is tiered from this point based on volume of paychecks processed and is priced as low as $0.45 per paycheck. Per payroll pricing starts at $5.95 to process up to 10 paychecks for a weekly payroll frequency.

Other payroll frequencies are priced at $9.95 per payroll run and allow up to 10 paychecks per frequency. Additional paychecks may be processed as low as $0.50 per paycheck.

AccountantsWorld® PayrollRelief®

★★★★★	BASIC SYSTEM FUNCTIONS
★★★★★	REPORTING & MONITORING
★★★★★	INTEGRATION/IMPORT/EXPORT
★★★★★	HELP/SUPPORT
★★★★★	CLIENT SELF-SERVICE FEATURES

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SPONSORED CONTENT

FIRST-HAND

Finding a Successful Payroll Niche

While working in the hospitality industry for 30 years and reaching top management positions at several well-known hotels, Reza Khan saw firsthand the challenges that these businesses faced, especially when it came to meeting their payroll and HR needs.

That spurred him to start his own company, Hospitality Resource Center, LLC, a payroll service firm that initially specialized in serving hospitality employers, and has since branched out into other industries. The company also offers accounting, HR, time and attendance, and other services.

"I knew their pain-points and could speak the language of the hospitality industry, because I'd been there," he said. "The most common issues were that most of the payroll systems on the market simply didn't have the flexibility to handle their very specific needs, or were far too overpriced."

When Reza tried Payroll Relief from AccountantsWorld in 2008, however, he knew it was the solution for his payroll services firm and his clients.

"From the very beginning, the AccountantsWorld team was extremely helpful, especially our representative, Roger Batista. They listened to our needs and helped us with the some of the finer points of payroll processing and management." They really go out of their way to help us Not only does Payroll Relief cost less than other systems, it lets us process payroll very efficiently." Because Payroll Relief is designed solely for accountants, Reza is able to easily rebrand the payroll program under their own name, Pay Controller (www.PayController.com).

In the four years since then, the Santa Clarita, California-based service bureau has grown to a staff of eight and produces more than 2,000 employee payroll checks per month, with client employees located across the U.S.

AUTOMATED COMPLIANCE

One of the capabilities of Payroll Relief that Reza admires the most is that the system automatically performs all compliance. Payroll Relief performs all state and federal reporting, and also the payroll tax payments to all agencies that accept e-payments. Even third-party payments, such as garnishments or child support, can be handled by Payroll Relief. This means that firms don't have to keep up with the various filing regulations in every state, while the system alerts them to pending due dates to ensure availability of funds.

ANYTIME/ANYWHERE ACCESS

Since he and his family travel internationally, from Hong Kong to Bangladesh, Reza also appreciates that he can access the totally web-based solution from anywhere. This allows him to keep up with his thriving payroll business and be responsive to his clients, without being chained to the office.

REZA KHAN
President & CEO
Hospitality Resource Center, LLC
PayController.com
Santa Clarita, CA

CPA Practice Advisor

How Email and Collaboration Platforms are Helping Mobile Professionals

Many of you have been using email for 20 years or more, but interactive collaboration tools are still somewhat new to your way of thinking and working. If you reflect on your progress in using software, you'll find that you have become more collaborative year after year.

For example, when word processing first became available, you frequently had a typing pool to do the data entry from dictation. Then, you found it easier to look at drafts on your own machine. Later you found that some short messages and memos were easier to create yourself.

Then you probably changed your thinking to realize you could draft content at the keyboard and with the track changes feature in Microsoft Word, see the revisions others made when you sent the document to them. Now the Microsoft Word document can live in SharePoint with one or more users accessing the document from there. Competitors like Google Docs and Zoho have similar capabilities.

Now the technologies have progressed enough that when you have to be mobile, you can do much of the work you want to do. The tools are good enough to be pretty effective at email and collaboration today, with more practical tools to come.

A simple reminder is in order, though: remember that mobile devices today are still best at consuming content, not creating content. If you have a lot of heavy lifting and keying to do, you are still likely to be on a desktop, laptop or UltraBook computer. If you are simply doing a review or short responses, you may find a tablet or smartphone application sophisticated enough to get the job done.

Randy Johnston

Mr. Johnston is executive vice president and partner of K2 Enterprises and Network Management Group, Inc.
He is a nationally recognized educator, consultant and writer with over 30 years' experience. He can be contacted at randy.johnston@cpapracticeadvisor.com.

What Can You Do Effectively?

Mobile phones made it possible to respond to email from virtually anywhere. We'll certainly tip our hat to Rim BlackBerry for making this not only possible, but practical. As smartphones from all other vendors became easier to use, email was one of the applications that received the most attention.

Microsoft made the mobile interface to Exchange easier with ActiveSync, and smartphone vendors like Apple with iOS, Google with Android, and Microsoft themselves made email on a smartphone convenient and easy to answer. In most cases today, if you have Exchange hosted email, you can answer and file messages on a smartphone, and the message is completely handled.

You don't have to do something more with the message when you return to the office. Most of this magic is really handled by Microsoft Exchange or by Lotus Notes email servers and very little is done on the smartphone but to provide an interface for you, the user. For some users, making the images bigger on a tablet was all it took to get off a computer and onto the couch. A simple reminder is also in order here: pick the right tool for the job. Answering a lot of email on a smartphone or tablet can be much slower than doing the job on a computer, and you'll wind up working longer to do the same amount of work. Frequently users select the wrong tool without thinking.

Collaboration opens a whole new can of worms. Collaborative tools by their very nature can take much more interaction from the user. While touch screens have made this possible, the interfaces are often too computer-like and really require a keyboard.

We have been watching and hoping for voice technology since the late 1970's and it is clear we are getting very close. But the style of response: type, touch, or speak, is much less important than designing the application so it allows for logical collaboration. The functions you need to perform as a user or a manager have to be presented in a logical way.

The great news for collaboration is that centralized computing is back. We call it the cloud. If you can perceive that the Internet is one big affordable mainframe with lots of powerful applications running in data centers, and you need a simple dumb terminal to connect, which we call smartphones and tablets, you have a pretty clear picture of the new collaboration model.

We can build our own private cloud for collaboration using LANs, virtualization, remote access with Remote Desktop Services, Citrix XenApp or XenDesktop or VMware View. Or, we can choose to use hosted or SaaS services from other providers. If we pick and choose, or use a hybrid model, we can select the applications that make the most sense to us and solve our client's problems. On-premise, hosted, SaaS or Hybrid – all the models are being updated for collaboration.

What Are Some Examples of Mobile Collaboration?

Software publishers and hardware manufacturers have created products for the mobile user that enable collaboration. Most of the time these have been built with a purpose in mind, but sometimes the creation was accidental. Now that the mobile vision is pretty firmly established, vendors are creating products to meet needs that they discover and solve.

This article continues online. Please go to www.CPAPracticeAdvisor.com/10770442.

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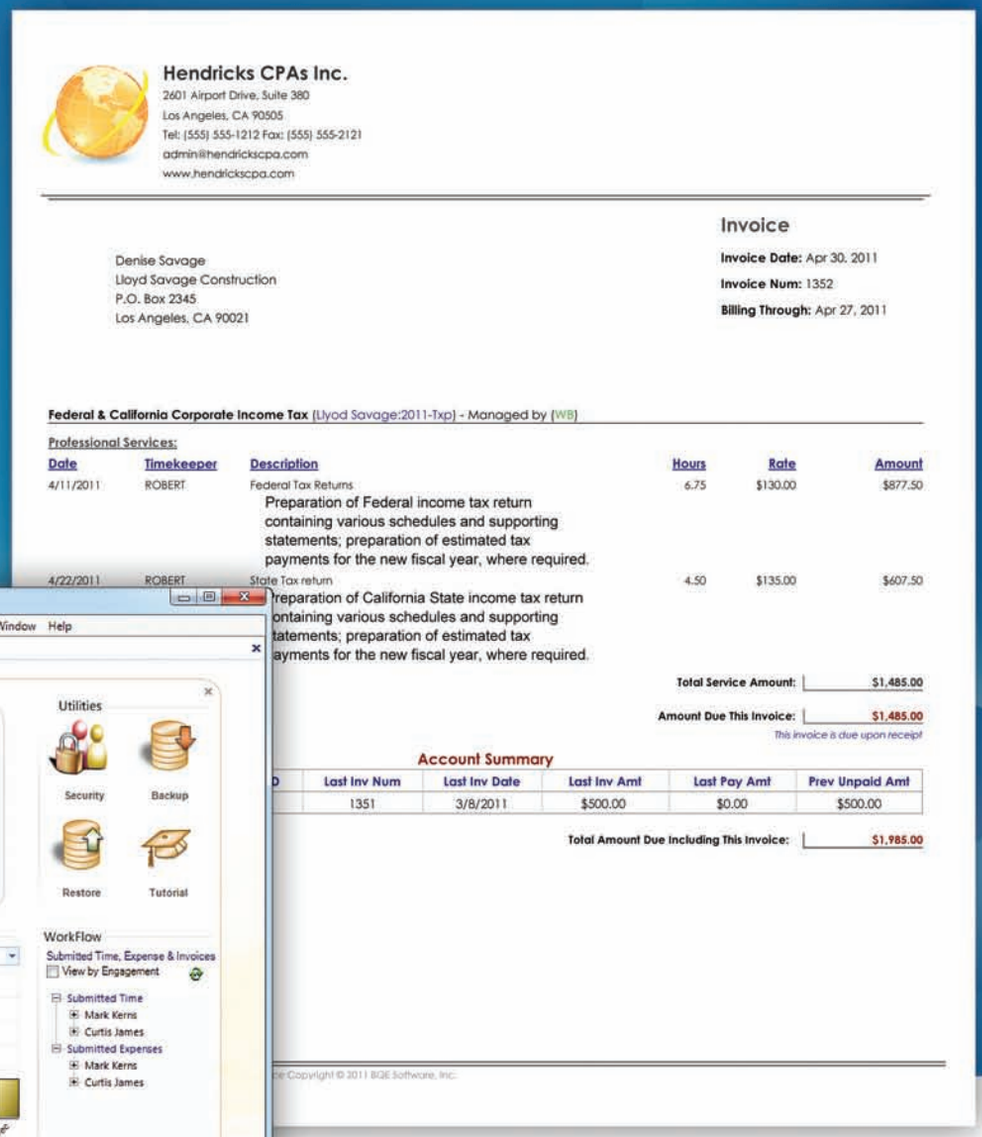

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admin@hendrickscpa.com
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Invoice
Invoice Date: Apr 30, 2011
Invoice Num: 1352
Billing Through: Apr 27, 2011

Denise Savage
Lloyd Savage Construction
P.O. Box 2345
Los Angeles, CA 90021

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Professional Services:

Date	Timekeeper	Description	Hours	Rate	Amount
4/11/2011	ROBERT	Federal Tax Returns Preparation of Federal income tax return containing various schedules and supporting statements; preparation of estimated tax payments for the new fiscal year, where required.	6.75	$130.00	$877.50
4/22/2011	ROBERT	State Tax return Preparation of California State income tax return containing various schedules and supporting statements; preparation of estimated tax payments for the new fiscal year, where required.	4.50	$135.00	$607.50

Total Service Amount: $1,485.00
Amount Due This Invoice: $1,485.00
This invoice is due upon receipt

Account Summary

Last Inv Num	Last Inv Date	Last Inv Amt	Last Pay Amt	Prev Unpaid Amt
1351	3/8/2011	$500.00	$0.00	$500.00

Total Amount Due Including This Invoice: $1,985.00

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BY ISAAC M. O'BANNON, *EDITOR*

From Audits to Grilled Chicken: What Sets Joel Ungar Apart

Firm partners Joel Ungar and Ron Silberstein in Jerusalem, 2009.

There are many stereotypes when it comes to accounting firms and professionals. For starters, many people seem to think that small firms pretty much focus on individual and small business tax compliance, write-up and business planning.

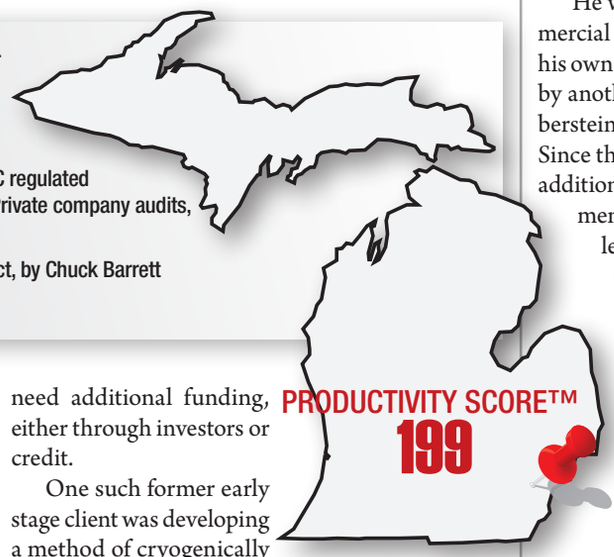
Test this on yourself. How big do you think a firm would be staff-wise, if you were told that it was in the top 15 in the United States when performing audits of publicly traded corporations?

As for the stereotype of those working at those firms or in the profession at large, deserved or not, it is often one of a person who is numbers-focused and reserved, with a conservative personality that shows aversion to risk. The stereotype of those who specialize in audits is probably even less vibrant.

When it comes to the services professional accountants provide their clients, these may well be enviable traits, but when labeled as such individually and personally, well, it can sound boring.

Joel Ungar isn't necessarily on a mission to change those perceptions, but he and his firm certainly don't fit either mold. Many of his clients and friends say his casual and irreverent humor aren't what they expected, and that, along with his open communication style, help him stand out compared to the stereotype.

Joel Ungar, CPA, Principal and Founder
Firm: Silberstein Ungar, PLLC
LOCATION: Bingham Farms, MI
WEBSITE: www.sucpas.com
PRACTICE SPECIALTIES: Auditing of SEC regulated corporations, Private company audits, Franchisors
LAST BOOK READ: The Savannah Project, by Chuck Barrett



AN APPETITE FOR AUDITS

As a CPA with 28 years' experience in the profession, he is founder and co-principal of Silberstein Ungar, PLLC (www.sucpas.com), an accounting firm in the Detroit suburb of Bingham Farms, Michigan. With a staff of eight, the firm has been listed in the top 15 by Audit Analytics, in regard to the total number of audits of public companies they perform annually.

They aren't competing with the Big 4 for Fortune 500 clients, of course. Instead, the firm has simply discovered and filled a much needed niche in serving small, mostly development-stage entities that have gone public to seek additional equity. They aren't traded on the exchanges, but they do have SEC reporting obligations.

"They often have more expenses than revenue, and many have very little, if any, revenue at all," he points out. "They are at a point where they have an idea that they want to develop for market, but still need additional funding, either through investors or credit.

One such former early stage client was developing a method of cryogenically freezing umbilical cords for blood and stem cell donation purposes. A current client, Robertson Global Health Solutions, is developing a smartphone app that uses GPS and other information to help health professionals perform medical diagnostics on patients. This is clearly some cutting edge stuff, but not all of the clients are as technologically focused. But they do have something in common:

The firm does not currently focus on individual and business taxation, but does manage these compliance issues for some clients, while referring some to a non-competitive tax-focused practice. "Because of our audit schedule in the early part of the year, any 1040 taxes we do have to be pushed to April, which limits our availability and resources."

WHEN RUNNING A FIRM, YOU DON'T HAVE TO BE AN EXPERT IN TECHNOLOGY, YOU JUST HAVE TO BE SMART ENOUGH TO FIGURE OUT WHAT'S WORKING AND WHAT ISN'T

This focus on audits was intentional. After receiving a degree in accounting from the University of Michigan, Joel worked for the Detroit office of Deloitte Haskins + Sells, then served as controller for the College of Creative Studies for a couple of years.

He would end up back in both public and commercial accounting roles, before he decided to open his own firm in 2003. He was joined for a short time by another partner, and then co-principal Ron Silberstein merged his practice into the firm in 2007. Since then, they have grown to a staff of eight, with additional per-diem staff as needed. They also are a member of MSI Global, which gives them both legal and accounting correspondent firms throughout the country and internationally.

To manage such a high number of audits each year, and with many clients located across the country, Joel and the staff travel frequently and so they rely heavily on technology and mobile connectivity. They scored a 199 on the **Productivity Survey** (www.CPAPracticeAdvisor.com/productivity), a free online tool that helps firms measure how their workflow practices and technologies compare to similar practices.

"When running a firm, you don't have to be an expert in technology, you just have to be smart enough to figure out what's working and what isn't," he said.

Joel notes that having spent several years at large and small firms, and on the commercial side exposed him to many specialties, and that he eventually found auditing to be the most interesting personally. After noting that he's been in accounting since before some of his staff members were born, he said he owes his initial interest in accounting to advice from his mom.

"When I was a kid, my mom said, 'You're good in math, maybe you would like accounting.' I had always had a slight entrepreneurial bent, from delivering newspapers, selling greeting cards and working retail, so I took a couple of bookkeeping

The Ungar family, from left: Eliana, Joel, Janice and Matthew.

classes in high school and then in college," he said. That's where a professor, the late Victor Bernard, sparked my interest and desire and got me hooked."

AWAY FROM THE OFFICE

When it's not the audit busy season and he can spend more time away from work, Joel said he loves to spend time with his wife Janice and his children. Daughter Eliana has just started her freshman year at the University of Michigan, and son Matthew is a high school junior.

The family is active in their synagogue, where Joel formerly served as treasurer but now much prefers being on the ritual committee and being a Torah reader. "It provides meaning to my life."

He uses LinkedIn for business networking, but reserves Facebook for personal use. "It's amazing how Facebook and other social media have helped us get to connect with many more people, and to better know people you've known for a long time. I enjoy following all of these changes and being a part of it."

Other free time is spent reading thrillers on his Kindle, riding his bike, dabbling in genealogical research and writing on blogs, and he continues to dream about getting his pilot's license. With one kid just starting college and the other joining her soon, that may have to wait.

What else sets Joel Ungar apart? "I can grill chicken really well." I'm not sure if that's a challenge or an invitation.

What We've Learned

(an interesting stat)

PRODUCTIVITY SCORE AVERAGES

Regarding wireless in the office: Over one-third of firms indicate that they provide wireless access in their offices. Unfortunately, 10% don't seem to encrypt and/or hide the SSID.

Revolutionary Apps for Early Adopters of the Post-PC Era

This month's applications are tools which help you save time and access desktop applications from your mobile device. While these apps might not seem like they deserve to be called "revolutionary", almost all of the technology leaders I work with use mobile apps like these to perform tasks which previously needed human interaction or required the use of Windows-based computer hardware.

These apps are evidence that the "post-PC" era is available for implementation by early adopters today. Integrating mobile apps into traditional business processes may offer significant cost advantages and flexibility to those who are willing to consider moving to this brave new world.

Brian Tankersley, CPA.CITP, Technical Editor

Brian Tankersley is a Knoxville, Tennessee CPA and consultant whose practice is focused on technology consulting and training for accountants. Brian is a nationally recognized speaker with K2 Enterprises (k2e.com), and blogs on accounting technology at CPATechBlog.com. Comments, suggestions, and errata are always welcome, and should be e-mailed to brian.tankersley@CPAPracticeAdvisor.com.

Fast Customer

Interactive Voice Response (IVR) systems have changed the way we all interface with our vendors. Navigating these systems requires users to select options and press buttons on a phone before you speak with a human being.

The menus have voice prompts such as "*For schedules, press one. For service, press two. To enjoy our bad music and infinite hold times, press three. For directions on how to safely vent your frustration with this incomprehensible phone system, press four.*"

Although there are some tasks which don't require that you speak with a human, users frequently have to navigate a menu multiple times to find the option which will allow you to listen to the "on hold music" while you wait for a human being to address your issue.

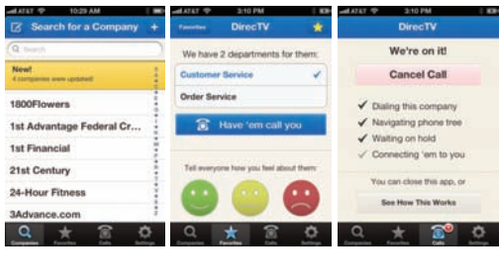
A family member recently introduced me to a new tool for dealing with this frustration – it is called "Fast Customer". This free service allows you to initiate a call to customer service for many major corporations from a free smart phone app. The Fast Customer app gathers the required information, navigates the menu, and puts you in queue for service.

Updates appear in FastCustomer app, and when the hold time is almost over, the service initiates a phone call to your cell phone so you can talk to the waiting customer service representative.

I recently used this tool to obtain customer service to change some travel plans, and the product was wonderful. Like a virtual executive assistant, the app navigated the menus for me, waited on hold, and then called me when the operator was on the line.

I was able to concentrate on my work instead of listening to music on hold, and the product worked wonderfully.

Fast Customer (www.fastcustomer.com) is a free smart phone app for Android, iOS, the Amazon Kindle Fire. The service can also be accessed using text messaging from any phone and as an add-in to the Google Chrome browser.



Fast Customer helps users escape from phone menus and elevator music on hold.

VMWare View and Citrix Receiver for iPad

Many firms are migrating their users to hosted or virtual desktop environments, where all data and applications reside on a server. The standardized Windows configurations on the servers hosting these activities reduce the administrative tasks associated with individual users.

Although most of the firms adopting this approach are using Windows computers with multiple monitors as "terminals" to access their programs and data, these hosting arrangements also make it possible to use a tablet computer to access these hosted resources, and allows tablet (or Mac) users to run software which is only available on the Microsoft Windows operating system.

Virtual desktop tools like VMWare View (top) and Citrix XenDesktop (bottom) allow users to access their desktop from anywhere, on any device

Some users who are utilizing virtual desktop environments are experimenting with using a TV connector for their mobile device along with an external bluetooth mouse and keyboard for input.

Although these efforts push the limits of what can be accomplished with modern tablets and smart phones, there may be a point in the not too distant future where organizations will no longer issue laptop and desktop computers, and instead opt for using mobile devices with hosted desktop environments.

The hosting platforms, which include VMWare View and Citrix XenDesktop, require an application which gathers and transmits user input such as mouse movement and typing, and also facilitates the desktop sharing from the hosting servers.

These client applications work on many mobile devices, and include the VMWare View mobile app (iPad, Android, and Kindle Fire) and the Citrix Receiver mobile application (iOS, Android, Windows Mobile, BlackBerry, Kindle Fire, and ChromeOS).

BASIC SYSTEM FUNCTIONS
- General navigation/ease-of-use
- Multiple concurrent users
- Multi-client management/setup
- System customization

CORE TAX PLANNING FEATURES
- Years of projections/planning/ prior year
- Scenario comparisons
- Special: MFS-MFJ, Estimates, Lump Sum, AMT, ACG
- State planning support (resident & non-resident)

REPORTING
- Customizable reporting
- Client-ready communication/ reporting
- Report output options
- Portal/DMS/email integration

IMPORT/EXPORT/ INTEGRATION
- Data import capabilities
- Integration w/tax applications
- Tax law research options
- Export to common file formats

HELP/SUPPORT
- Built-in support features
- OS compatibility
- Support website/documentation
- Live Support

Isaac M. O'Bannon, Editor

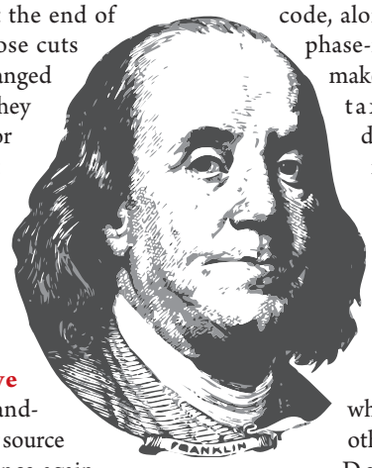
Isaac is the editor of CPA Practice Advisor, drawing on two decades of experience in the areas of professional accounting, business productivity and consumer technologies. He can be reached at editor@cpapracticeadvisor.com

Uncertainty Poses Challenges for Tax Planning

Everyone has heard the old Benjamin Franklin quote about the only certain things in life being death and taxes. The certainty of taxes, however, is far more subjective than the first.

This is not only because of the inherent complexity of the modern tax code, but also because of the recent Supreme Court decision regarding the **Affordable Care Act** ("ObamaCare") and its implications on individual taxation and penalties, but also because of numerous tax provisions that are automatically set to expire.

The most often discussed of these is the possible phasing out or changing of the **2001 and 2003 Tax Acts** (the "Bush Tax cuts"), which have been continued since 2001, and are set to expire at the end of 2012. Whether those cuts are reapproved, changed or expire, however, they won't affect taxes for TY 2012, but not knowing what may happen makes effective tax planning strategies challenging, to say the least.



The **Alternative Minimum Tax** "band-aid" is also a familiar source of angst, and it is once again set to expire at the end of the year. This would increase the number of taxpayers exposed to the AMT by returning the exemption amount to a lower amount.

Other tax provisions set to expire next year include the 15 percent **Capital Gains Tax** rate, and reverting of the **Unified Gift and Estate Tax Exemption**. The first would result in the maximum capital gains tax rate returning to 20 percent next year, while the second would return combined gift and estate tax exemption back to $1 million from the current $5.12 million.

There are even **more provisions set to change or expire**, including credits for things as varied as adoption, electric vehicles, energy efficiency, veteran employment, teaching expenses and even mortgage premiums.

Although all of these potential changes in taxation can lead to uncertainty, particularly when also preparing for planned and unplanned life events of taxpayers, there are several programs on the market designed to give tax professionals tools for planning multiple scenarios.

The systems in this review section all include at least the current tax code, along with anticipated phase-ins and phase-outs, make it easier to project tax liabilities and develop strategies for minimizing them in several scenarios, such as: What if the AMT reverts, but the estate tax doesn't? What if the Bush Tax cuts expire partially or in whole? What about the other various credits?

Depending on the needs and complexities of you firm's 1040 clients, some of the programs also offer further advanced tools, planning for dozens or even unlimited future and past years across multiple scenarios, and even integration with tax research resources, expert analysis and opinion. Many also offer the tax code and research materials for states and local jurisdictions with income taxes.

POTENTIAL TAX CHANGES FOR 2013
- Affordable Care Act (ObamaCare)
- 2001 & 2003 Tax Cuts (Bush Tax Cuts)
- Alternative Minimum Tax (AMT)
- Capital Gains Tax (CGT)
- Unified Gift & Estate Tax
- Numerous Credits

A few of the more advanced systems also offer expanded analysis and reporting functions that provide graphical elements for helping explain and demonstrate to clients the potential changes to these laws, as well as how certain proactive steps can help them offset all or part of the negative changes, or even put them in a better tax position than they are currently in.

The success of proactive planning is proven to be effective at preparing and making financial decisions that reduce tax liability not only for the most complex clients, but for more traditional households, as well. And it doesn't require having a crystal ball to predict what parts of the code will or will not change. What it does take are the right planning and preparation systems.

As complex as individual income taxation is, particularly in the coming few years, tax planning engagements are an increasingly valuable service that can help reassure your clients that you can help them prepare for virtually any changes.

Thomson Reuters Planner CS

2012 OVERALL RATING ★★★★★

BEST FIT

Although it can be used as a stand-alone program, Planner CS provides the greatest benefit to users of UltraTax CS and other programs in the Thomson Reuters CS Professional Suite due to tight integration with tax preparation, research, document management, portals and other functions.

STRENGTHS

- Built-in tax code for federal and all taxing states
- Direct integration with tax, document management, portals
- Comprehensive calculations and analysis features
- Can produce any number of years of projections
- Strong customization and graphical elements on reports

POTENTIAL LIMITATIONS

- Limited data integration from external programs

Planner CS offers a comprehensive planning system that allows for the creation of any number of years of projections for individual income taxes, and offers a host of utilities and functions for finding the most beneficial taxation scenarios.

The system includes all federal and state tax codes and regulations, including phase-outs and anticipated changes, and provides excellent reporting functions. The system can be integrated with UltraTax CS and other CS Professional Suite programs for tax preparation, practice management, document management and portals for client collaboration.

SUMMARY & PRICING

Planner CS provides powerful tax planning tools and analysis features designed for clients of any complexity, including those with highly diversified income. The system can be used as a stand-alone program, but its exceptional integration with other programs in the CS Professional Suite, particularly the tax and document storage systems, adds significant value to users of the suite. Pricing starts at $685 for the federal-only system, with states addable as needed.

☆☆☆☆☆ BASIC SYSTEM FUNCTIONS
☆☆☆☆☆ CORE TAX PLANNING FEATURES
☆☆☆☆☆ REPORTING
☆☆☆☆☆ IMPORT/EXPORT/INTEGRATION
☆☆☆☆☆ HELP/SUPPORT

Read the full review of this product exclusively online at www.CPAPracticeAdvisor.com/10774156

800-230-2322 **www.taxworks.com**

CCH ProSystem *fx* Planning

2012 OVERALL RATING ★★★★½

BEST FIT

Professional accounting and tax practices seeking a planning system that integrates directly with ProSystem *fx* Tax and other programs in the ProSystem *fx* Suite.

STRENGTHS

- Direct integration with ProSystem *fx* Tax and Engagement
- Ability to prepare up to 30 side-by-side scenarios
- Intuitive spreadsheet-based interface
- Automated calculations

POTENTIAL LIMITATIONS

- Limited integration with outside programs
- Reporting output to only PDF format

ProSystem *fx* Planning is a part of CCH's larger suite of professional tax, accounting and practice management systems, of which many systems are available in web-based versions. Planning, however, is an installed program that can be used in conjunction with ProSystem *fx* tax and other products in the suite, or as a stand-alone program.

It includes multi-year projection functions and calculations for AMT, capital gains and phase-ins and phase-outs. It includes tax rates, deductions, exemptions and credits for many states.

SUMMARY & PRICING

ProSystem *fx* Planning is a good add-on when integrated with the tax compliance system, but can be used as a stand-alone program, providing automated calculations for complex scenario testing for 1040 clients of any nature. The system costs $675 for a single user license.

☆☆☆☆☆ BASIC SYSTEM FUNCTIONS
☆☆☆☆☆ CORE TAX PLANNING FEATURES
☆☆☆☆ REPORTING
☆☆☆☆ IMPORT/EXPORT/INTEGRATION
☆☆☆☆☆ HELP/SUPPORT

Read the full review of this product exclusively online at www.CPAPracticeAdvisor.com/10774139

800-739-9998 **CCHGroup.com**

TaxWorks Tax Planner

2012 OVERALL RATING ★★★★

BEST FIT

Small tax-focused practices using TaxWorks who want an integrated tax estimation and scenario testing tool that can help clients prepare for potential liability changes.

STRENGTHS

- User friendly interface
- Adjustable inflation projections
- Affordable price-point
- Direct integration with TaxWorks

POTENTIAL LIMITATIONS

- State support is limited to generic worksheet
- Basic report customization options
- Limited external integration

The TaxWorks Tax Planner system provides a simple add-on scenario testing tool that can be used to see the effects that a variety of factors would have on a client's tax liabilities for up to five years. The program can be used as a stand-alone utility, but is primarily designed as an integrated addition to the TaxWorks professional tax preparation program, and is included with the top level TaxWorks bundles.

SUMMARY & PRICING

The TaxWorks Tax Planner offers a quick tax planning tool that provides projections for five years, with built-in calculations for federal tax rates, exemptions, credits and other factors, and provides a generic state worksheet that can be tailored to specific state requirements. The system is a best fit for firms using the TaxWorks professional compliance system. It costs $495 for a license that allows use by all staff in a firm. Discounts are often available, and the program is included in some of the TaxWorks preparation bundles.

☆☆☆☆ BASIC SYSTEM FUNCTIONS
☆☆☆☆ CORE TAX PLANNING FEATURES
☆☆☆☆ REPORTING
☆☆☆☆ IMPORT/EXPORT/INTEGRATION
☆☆☆☆☆ HELP/SUPPORT

Read the full review of this product exclusively online at www.CPAPracticeAdvisor.com/10774397

800-230-2322 **www.taxworks.com**

BNA Income Tax Planner

2012 OVERALL RATING ★★★★★

BEST FIT

Firms with clients across the spectrum, including high net worth individuals, serial entrepreneurs, ex pats and others with increasingly complex planning and compliance requirements.

STRENGTHS

- Simple interface and navigation
- Exhaustive calculations and analysis functions
- Side-by-side comparisons of up to 20 plans
- Strong reporting with graphical elements
- Integration with several tax compliance systems
- Web-based version

POTENTIAL LIMITATIONS

- BNA does not offer a preparation system

BNA is a familiar name to tax and accounting professionals, and since last year has become a part of Bloomberg LP, the globally recognized business information publisher and media outlet. In addition to producing original regulatory analysis and insight, the company develops technology for corporate tax audits, fixed asset management, sales and use tax management and rates, income tax planning, and estate and gift tax planning and compliance.

SUMMARY & PRICING

BNA Income Tax Planner and the web version of the program, offer a very easy to use and learn system, with very strong and comprehensive planning, calculation and scenario testing utilities.

With support for all income tax states, and tools for managing complex clients, the system is ideal for firms serving the needs of high net worth individuals, and those with challenging taxation needs. Pricing varies based on specific firm state needs, with the base federal system starting at about $600.

☆☆☆☆☆	BASIC SYSTEM FUNCTIONS
☆☆☆☆☆	CORE TAX PLANNING FEATURES
☆☆☆☆☆	REPORTING
☆☆☆☆☆	IMPORT/EXPORT/INTEGRATION
☆☆☆☆☆	HELP/SUPPORT

Read the full review of this product exclusively online at www.CPAPracticeAdvisor.com/10774132

800-424-2938 **www.bnasoftware.com**

Lacerte Tax Planner

2012 OVERALL RATING ★★★★½

BEST FIT

Although Lacerte Tax Planner can be used independently, integration and automated features make it even more valuable to firms using the broader tax preparation system.

STRENGTHS

- Intuitive interface and user-friendly navigation
- Direct integration with Lacerte Tax 1040
- Integration with Document Management System
- Customizable graphical reporting

POTENTIAL LIMITATIONS

- Output limited to PDF and text formats
- Does not include rates for all income taxing states

Lacerte Tax Planner provides planning, analysis and client presentation tools for projecting individual income taxes for clients out to as many as 10 years with 10 scenarios each. It includes past, current and projected rates for federal taxation, as well as for 17 states and New York City, and a generic worksheet for other states and local taxes.

The planning system comes bundled with the Lacerte Tax Analyzer and the Lacerte Document Management System, but is at its best when also used with the main tax preparation system.

SUMMARY & PRICING

Lacerte Tax Planner provides capable planning functions with strong customization options for client-ready reports. It can be used independently, but is best suited to firms using the Lacerte Tax system and its optional module, since the integration offers streamlined access to client data and additional tools. The system is available only as part of a bundle with the Lacerte Tax Analyzer and Lacerte Document Management System, at a price of $249 per year.

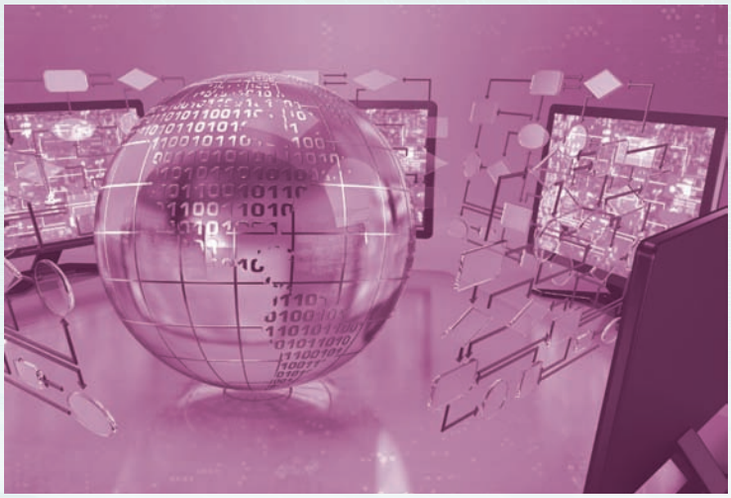
☆☆☆☆☆	BASIC SYSTEM FUNCTIONS
☆☆☆☆☆	CORE TAX PLANNING FEATURES
☆☆☆☆☆	REPORTING
☆☆☆☆☆	IMPORT/EXPORT/INTEGRATION
☆☆☆☆☆	HELP/SUPPORT

Read the full review of this product exclusively online at www.CPAPracticeAdvisor.com/10774147

800-765-7777 **www.lacertesoftware.com**

When is Practice Management Software Right for Your Firm?

By Mike Giardina
CEO, Office Tools Professional



Over the last ten years, I have witnessed great changes in the area of practice management software for accounting and tax firms. As today's technology improves, it opens the door for improved design and the creation of more robust applications. The result is a gamut of new ideas and designs for today's software.

We are beginning to see applications paired together that had not been combined before. This provides new opportunity to firms who are interested in exploring the latest offerings to our industry. What our industry is experiencing is the beginning of what I call a "new breed" of practice management software.

We simply need to examine the way software companies are creating new approaches to the paperless office, workflow methods and advanced features to client portals to see the opportunities. Another area firms are interested in is how Customer Relationship Management systems, also known as CRM systems, can help them grow and even sustain growth. These are just a couple of reasons practice management discussions are at the forefront of our industry again.

Difficult economic times have also contributed to the raised interest in practice management software. Firms have had to adjust to financial pressures. One way to adjust is to review how firms get things done. Are we being as efficient as possible? Are there new ways of doing things that would reduce costs?

Firms are spending extra time reviewing current solutions to current problems in the hope of finding some respite during these times. Problems like rising costs, loss of clients, low efficiencies, ineffective information tracking and even poor management need attention in difficult economic times. As these needs increase, so does the need to review whether practice management software is right for your firm.

> WHAT OUR INDUSTRY IS EXPERIENCING IS THE BEGINNING OF WHAT I CALL A "NEW BREED" OF PRACTICE MANAGEMENT SOFTWARE.

Over the past few years we are seeing accounting firms change as well. The way firms do taxes and balance the clients books, has really changed in the last ten years. The resurgence of payroll services and the introduction of portals has ushered firms into a new generation. Firms are constantly looking for ways to remain competitive and relevant. Of course it goes to good reason that with these changes, the way accountants manage their firms must change too.

Software vendors are beginning to react and find ways to enhance these changing firms. Creating and re-writing new software to adapt to the way accountants provide services. All of these factors have caused many to consider if now is the time to take advantage of the options afforded in new practice management systems. I believe this is what has driven the development of a "new breed" of Practice Management Software. A breed that's prepared to react and find relevant solutions to today's changing firms.

Evolving Practice Management Software

Ten years ago many firms were considering "less paper" but few had made the full commitment to evolve. Full evolution was either restricted by high costs, the lack of leadership desire or simply application short comings. When reviewing the costs many firms were resistant to evolve because the value calculated was not equivalent or higher to the cost incurred. The price and time required to purchase, implement and use the software were out of reach compared to the implied benefits. In other words the math didn't add up, which stifled the paperless evolution.

Others did not have the desire to commit to the changes required. For some they had too many obstacles like computer illiteracy with key team members or partners. In some cases, systems in place didn't allow for the changes required for success due to hardware limitations. This is easily overcome today with incredible technology available at very low costs.

In addition, many applications had too many short comings slowing evolution. One short coming was the lack of intuitive designs making applications difficult to use. Another was that some systems were simply cost prohibitive to be implemented successfully.

These factors also slowed acceptance of practice management software in the last decade. Ten years ago, small firms were specifically resistant to the idea of practice management software. The main reasons given were: systems were too expensive, too over-featured and not able to meet the unique small firm needs. Even though firms had manual systems in place and were using a collage of software, they were resistant to change.

In most cases what we call today the "best of breed" set of applications were the only options. In some cases these disconnected applications and procedures worked for them. Repeatedly I was told if it wasn't broke why fix it? To some extent this was partially true. Firms

were waiting for something with greater value and ease of use.

I believe the opportunity for a solution using new technology is here and things have changed for the profession. We are seeing improved efficiencies when using these new breeds of software that are specifically designed to overcome the obstacles to evolution. One obstacle that's been overcome is the ideas that practice management is only for large firms. Firms of all sizes are beginning to place their focus on practice management software. It has become the one area providing opportunities for improved efficiencies, even more than tax and accounting programs and evolved design is leading the way.

If by now, you are not completely paperless, you are probably making efforts to finally get there. Most of us wouldn't even consider working in an office that hasn't embraced a paperless culture. Today this is true for practice management software. Team members want effective organization and the latest tools where they work.

So, naturally, our current systems and software must evolve and support new standards. Thus, the evolution and improvement of our applications and the hardware must also support these new approaches. Naturally, the introduction and evolution of new practice management software was necessary to meet the needs of today's firms. What was once reserved for firms with large resources like national and regional firms has worked its way to firms of all sizes. Thus the evolution has begun. This "new breed" has arrived.

Greater Insight Equals Better Management

In years past practice management software was considered a glorified time and billing system providing basic metrics about revenues, profitability and productivity. Now owners and partners want to know more than just billing metrics. Firms today want all management and administration functions combined into one system. They want systems to be simplified, provide better tracking and they want it to take less of their time.

They also need complete analysis on staffing, workflow and budgeting that can be used in management decisions. Ultimately firm owners and partners want to easily track information, accurately know what's going on in the firm and have a system that can create improved management decisions. This is what I call the "three must haves" in practice management: track, know and manage.

I see todays practice management software doing many things that weren't considered in the past. Today's software helps firms increase their abilities to track, know and manage. To accomplish this goal, software must combine the tracking of client services information with workflow management and with staffing functions. These systems can no longer be separate. Software needs to do all of these in a simpler, more effective way than in the past. As you review applications in our industry, be sure they move us beyond the applications of the last decade. Look for software that provides better tracking, more knowledge and leverages the way you manage.

TO BRING LASTING, REAL CHANGE AND VALUE TO YOUR FIRM, IT'S MORE IMPORTANT NOW THAN EVER TO IMPLEMENT PRACTICE MANAGEMENT SOFTWARE.

Practice Management Now Includes CRM

In years past, CRM was always considered a "sales tool". We in the accounting industry shunned them as unusable. Now for a variety of reasons we are beginning to embrace them. One reason is what I call "client service". It's no secret we are, as accountants, in a service industry, so it makes sense that we need put a concerted effort into improving the way we provide service. Practice Management software now offers ways to do this. Another reason is the combining our contact management and our customer relationship management into our practice management software. Previously CRM was always considered another separate program and database. This is no longer the case if we utilize our practice management software's CRM abilities.

One of the best ways to provide better client services is to engage your practice management systems to track client workflow details. Not just tax and accounting info but all related information. This is what Customer Relationship Management software can do for firms. I define "workflow" in this context as tracking all client related events whether it is an appointment, phone call, email or the actual documents and processes while performing client services.

When all members of the firm can quickly know who is working on what client and where the related information is, we empower the firm to perform higher quality client service. It helps us work as a team. When the client calls or emails we know exactly what is going on and what to tell the client or at least who to go to if we need help. The same is true when we can track the last time we called the client and know what was said. This too, is empowering. Instead of struggling to remember the details of the last call or information discussed with a client, any team member can simply look it up.

New systems must go a step further when quickly logging and retrieving client information. We need our client emails, from all firm members in one place. We also need documents available when meeting with or talking to our clients. Systems today can embed documents in our appointments, call tracking and automatically store our emails from Outlook in an organized fashion in our document management section of our practice management systems. The alternative is to go to each staffs computer and review their emails. This is ineffective as well as unlikely that we would take the time to do this. The "new breed" of practice management software must incorporate these things.

CRM systems are now being considered for firms wanting to grow. Firms are looking to hire a marketing person, even an intern to bring in new business. Using CRM systems is imperative for any firms marketing initiative. We need the ability to sort, organize and communicate with prospects through a CRM system. CRM systems should have the ability to create unlimited groupings and be able to track when we last communicated, when and how we next communicate with prospects.

It doesn't make sense to implement another program and database when marketing duties can now be accomplished in the new Practice Management offerings.

Compliance Tracking and Due Diligence

It is important from compliance and due diligence perspective, that we track details about client transactions. Practice Management systems must support the logging of what was said on the phone call with our clients and in support of performing services like IRS correspondence and audits support. It is also really helpful to know what discussions are going on about the processing of tax returns and monthly accounting services.

This article continues online. Please go to www.CPAPracticeAdvisor.com/ 10772482 to continue reading about how practice management systems can help professional firms.

Keep Your Elbows off the Computer Table

(and Online Etiquette that Mom Wants You to Know)

Our parents taught us some basic social skills like keeping our elbows off the table and to have a firm, yet not death-grip, handshake. These are timeless but new scenarios have emerged. As a parent of four, I never considered that I should teach my kids some online etiquette, too. I wish I had, and at least my youngest will benefit from this reflection (lucky her!).

Other than "avoid all caps because it means you're yelling," there's little guidance on how to be polite, polished, and effective using today's modes of communication. Bad online etiquette can send employee, peer, and client relations plummeting. Offenses are certainly prolific.

Michelle Golden

Michelle is a growth and profitability strategist. With her deep knowledge of firm operations and sharp observation skills to quickly grasp a firm's nuances, she guides practitioners toward improved profitability and stronger, healthier cultures. She focuses on strategic consulting and facilitation around long- and short-term planning, positioning and pricing, messaging, and communications (both online and off).

So if mom taught us how to behave with all our electronic interactions, whether text, email, or other web-based channel, what are the three most important things she would have instructed?

Don't skip "Hi" and "Bye"

As kids, most of us learned to answer the phone with something akin to: "Hello. Smith residence. To whom am I speaking?" and to end calls with: "Thank you for calling. Good bye." Letters begin with "Dear" and end with "Cordially" but online, these openings and closings are usually absent. They aren't just fancy formalities; they set a tone. They let people know our mindset. In print or online writing, we cannot consistently tell if someone is pleased or annoyed, calm or harried (and if harried or annoyed, is it due to us?) without clues.

When clues are absent, human nature dictates that the recipient will assume the worst.

With the first text you send in a day, or in any email, direct message, or instant message, greet someone before launching into your purpose for writing. Regardless of the sender's intent, messages are perceived as demanding and curt when they lack an opening or when they end abruptly with no closing.

When did we become so rude? I think it probably preceded email and began with the fax coversheet. "See attached," was innocent enough, but the beginning of very bad form. Is it really that hard to add, "Hello Jody, see attached. Best regards, Gene."?

An opening as brief as "Hi," is just fine in most cases. And when space permits, why not be even more pleasant with "Good morning" or "I hope this finds you well."

Too many people are skipping sign-offs, too. Especially among colleagues or family members. Familiarity breeds contempt? If you don't routinely write a closing, create an email auto-signature "Best wishes, Joe." And if you send email from your handheld or tablet devices, tailor your auto-signature to indicate that you're using a mobile device. This helps recipients understand that general brevity is most likely due to your tiny, awkward keypad and not something related to how you feel about them.

And if you're done with your text, IM, or direct-message conversation, indicate it. "Gotta run, nice chatting," or even GTG, TTYL (got to go, talk to you later) is more considerate than disappearing without closure.

Acknowledge people who address you

Do you go to a party and refuse to interact? When people come to your home, do you pretend they aren't there? Of course not. Yet when people directly address each other electronically, all sorts of ignoring goes on.

We're all busy, but if someone comments on your blog post, or sends you an email, sending even a quick, "Thanks for your message, I'll give you a thoughtful reply as soon as possible!" goes a very long way.

If someone responds to your Facebook or LinkedIn post, or mentions you on their own or someone else's post, do acknowledge the fact that they've spoken to you. Clicking "like" or typing "thanks" takes less than two seconds. People who post things on LinkedIn, Twitter, Facebook, or blogs, and fail to acknowledge any comments at all, come across as aloof and arrogant.

And don't be exclusionary. Acknowledging some comments and not others is rude in a cliquey way. For the ignored person, it's the social equivalent of standing in a group of people, saying something, and having no one look at or respond to you. If someone routinely annoys or offends with their posts, consider disconnecting (aka "unfriending" or "unfollowing") them, or limit what they can see within your privacy settings.

Another way to be both well mannered and more effective online is to be hospitable and gracious at the time of connecting with someone. When you invite someone to connect on LinkedIn or Facebook, remind the person how you know one another ("nice meeting you at the conference reception last week") and say that you'd be honored to connect.

Once they accept, send another message saying "thanks" and that you're looking forward to staying in touch. If someone invites you to connect, send a message thanking *them* for reaching out and, again, let them know you're looking forward to staying in touch. If someone invited you to their home, you wouldn't dream of not thanking them. Not doing so online is a missed opportunity for engagement as well as being inconsiderate.

If you're genuinely too busy to reply when people address you through one communication vehicle or another, then perhaps you should exit that vehicle (e.g., close the Twitter account, disable Facebook, or sign out of Skype).

Help raise the bar. Don't be aloof online. Interact with grace.

If you have nothing nice to say…

There's more! Read the rest of Michelle's etiquette tips at www.CPAPracticeAdvisor.com/10770452.

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Is It Time To Dump Tech Consulting?

As you know if you have read this column for any of its 20 years, I am not an accountant. I am a writer, which was enough to get me through the core accounting courses for my MBA. And I am a geek, which enabled me to ride the wave of technology in the eighties and after into the accounting industry.

I say that so that you know I have the utmost respect for the role of technology consulting in many accounting firms. We were the ones who brought computers into the enterprise, and into small businesses. We set them up, configured the hardware and software, analyzed the best solutions, and ultimately brought accountants to the Cloud. And so that you will know that I am serious when I wonder if it is time for the industry to give up technology consulting as a service.

This is hardly news to many firms, which long since gave up computer and technology consulting in favor of ERP, or CRM, or even payroll services.

Most accounting software has long since moved to the Cloud, giving up the every-other-year upgrade cycle and the quarterly updates that used to be the mainstay of the industry.

As for computers themselves, we really don't troubleshoot them anymore. If the Geek Squad can't get to them within 24 hours, we just replace the computer and initialize its hard drive from a virtual server in the Cloud.

So the question remains. Is it time to dump tech consulting? No, it is not. But it is time to change how we manage that area of the practice.

Hardware is still at the core of what accountants do each day, even if that hardware leans more toward tablets and touchscreens than PCs and printers. Software is still the heart of the industry, even if it is not installed locally and we have to (joyously) give up archiving old copies of tax software.

The old days of technology consulting have gone the way of the green eyeshade and the abacus, and the technology practices of accounting firms need to scramble to keep pace. After all, had accounting technology departments done their jobs, our clients would have been securely in the Cloud years before it became popular with Amazon customers.

The technology practices of the major accounting firms need to change. They need to pick up the mantle of beta testers for their clients. They need to push the bleeding edge of technology, and help their clients – especially those too small to have their own IT departments – extract greater productivity from technology.

For the past few years, we have let our clients lead us in new technologies, and that has to change. They look to us as trusted partners, and keepers of knowledge. We need to rise to that challenge, and become better at what we do in technology.

And not coincidentally, this magazine is a place to start. It is one of the few with blogs dedicated to technology news. It is the magazine that has led the renaissance of Macintosh products within accounting. It is the place to find the best information about Microsoft products, from SharePoint and Windows to Office and Communications Server.

We are not alone. AICPA maintains a robust technology section. Other magazine devote time and effort to technology subjects, from annual reviews of software to the mechanics of document management. And throughout the industry, integration and customization specialists are tailoring accounting solutions to the specific needs of clients.

No, it is not time to ditch technology consulting. But it is time to evolve that practice to the needs of clients in the 21st Century.

Dave McClure

Mr. McClure is a consultant and widely published writer on technology issues. He can be contacted at dave.mcclure@cpapracticeadvisor.com

REALITY CHECK

A compendium of ideas, products, rants and raves from the viewpoint of the author. You can share your ideas by sending them to Dave.McClure@CPA-PracticeAdvisor.com.

WEBSITE OF THE MONTH:

Windows 8 Preview (windows.microsoft.com/en-US/windows-8/release-preview).

The Windows 8 Preview is out, ramping up for release of the new operating system in November. I don't know of anyone who has a spare computer sitting around to run this on, and no one in their right mind would put a preview version on a machine used for work. But the site itself is worth viewing, if just for the learning experience.

Curiosity. For those of us who grew up with the space race – and saw the benefits of NASA research, from personal computers to microwave ovens – the nation's decision to abandon space to other countries was nothing short of tragic. Now a small Mars rover has again fired up our imagination, and may lead us back into the exploration of our own final frontier.

HDMI Connections. Turns out that the reason so many of the big screen television sets carry such a low price tag is that they use generic, low-quality sub-systems. Like the circuit boards that control the sound. Or, more commonly, the ones that control the HDMI connections for better pictures and sound. Companies are now low-balling these simple components, so that the least little power surge fried the board and turns your television into 60 inches of useless junk. Caveat emptor.

The User Interface Formerly Known As Metro. Yep, Microsoft is already distancing itself… well, fleeing, actually, from the "Metro" name. Is it really that bad? No, it is mostly just new and unfamiliar. But corporate IT managers are already flinching at what it will cost to train business users on how to work without a "Start" button…

Facebook. Its value is now less than half of what it was when the company went public, and there are calls for Mark Zuckerberg to step down as chairman. Can things get any worse? After all, the company still doesn't have much of a business model beyond stealing your personal data to sell to advertisers. Can't wait to see what it looks like a year after its IPO.

National Weather Service. I've used one weather site after another in the endless quest to learn about tornadoes sometime before 30 minutes after they pass. Same with snowstorms. Until now, getting up to the minute weather information (especially on weekends, when no one seems to be working) has been impossible. Now the US Weather Service has put its own site online at www.weather.gov. It's an excellent site, and one I recommend. Hands down. ●

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A Journey from Chaos to Harmony

Resilience and a stick-to-it attitude allow one firm to rise above the chaos to achieve streamlined, melodic success

Richard Buller, CPA and owner of Richard Buller CPA Services, LLC, referred to the early years of firm ownership as "the crazy days." After purchasing a firm in 2007, Buller had no idea what was inside until he pulled back the wrapping.

"It was pure chaos," Buller stated. "None of the software worked together and there were no standard processes in place, so everyone was working differently. There was absolutely no collaboration among staff or with clients."

There was also no peace—among staff members and between staff and clients. Buller described a volatile work environment where frustrated employees and clients argued regularly.

"I remember walking into the office during those first few weeks and witnessing staff and clients screaming at each other. Clients were upset because they weren't getting the level of service they required, and employees were frustrated because the office was an unorganized mess."

With disparate applications hobbled together, integration between solutions was not possible, meaning a lot of manual entry and double work. The office also lacked standard processes, so there was no uniform way of completing tasks. To achieve any level of harmony among staff and with clients, Buller knew he had to make some big changes.

Staff of Richard Buller, CPAs, from left: Sarah Cormier, David Edgar, Faline Daniels, Heather Buller, Danielle Menard, Richard Buller and Tara Bouit.

Starting with the Basics

"The firm was broken. That was for sure," Buller stated. "I had to fix what was inside first if I expected to repair client relationships."

So *fix* he did. Buller began making changes, and he started with the basics: electronic file storage and scanning.

Buller's first action as the new firm owner was to implement Thomson Reuter's FileCabinet CS (FCS). FCS would support a single repository to store documents so employees would know exactly where to find client files. This would both improve internal workflow and allow staff to quickly fulfill client requests.

"FileCabinet put all client documents at my staff's fingertips. It was so much easier and organized."

Scanning was the next big change. Buller made front-end scanning a mandatory process … and right in the middle of tax season!

"I couldn't wait until after tax season to make changes that would surely improve the process," said Buller. "Some staff were petrified at first, but after a short while, a few employees actually told me that things were better."

A Lead-in to Bigger and Better Things

After implementing a few basic changes, Buller witnessed his firm turn a major corner. "There was more harmony among staff because we had diminished

the frustration that came with using inadequate software."

When he purchased the firm, Buller did an evaluation of the technology and found that none of the products worked together. The firm was using disparate apps from a variety of vendors, including a third-party time & billing system that Buller had never heard of.

"I don't know how the firm ever functioned using that system," Buller stated.

Buller moved the firm to Thomson Reuters' fully integrated suite. After less than a year on the software, a staff member suggested moving to Thomson's Virtual Office in order to access the suite remotely and further enhance workflow processes.

"The move to VO made operations even better. To get the firm in order, staff worked really hard that year to get all documents scanned in. We scanned during the day and worked remotely from home in the evening. VO allowed us to work collaboratively as a team—finally."

With the technology problem solved,

Buller was able to move on to bigger items, like pricing. He admitted that no one really knew what to charge clients because everyone performed work differently. To make matters worse, more often than not, staff had no idea where a client's project was in the process.

"Once we started using Practice CS effectively, we could track client projects with pinpoint accuracy. This was a huge step in the right direction because once we had project management under control, I was able to implement value pricing and put an end to the pricing guessing game."

Efficient workflow, standardized processes, and a fully integrated software suite allowed Buller to set prices based on the value of the service, not on billable hours. "We weren't going to be truly profitable as long as we were billing by the hour."

Today, the firm's clients are happy, and so are staff members. There are no more yelling matches in the hallway.

"Our clients are now getting the efficient and dedicated service they deserve. We also have them set up on portals, which offers 24/7 access to their documents and data."

Buller fully understands that the Web is the way to go—the way today's clients want to work with their accounting professionals. "No one wants to drop off files in person or even call anymore. Clients want things to be easy. They are busy, and portals support a far more convenient way of working."

Specializing in the physician niche, Buller reported specifically that his doctor clients wouldn't want to work any other way. "Our doctors love the File Exchange option in the portal. Communicating with us online simplifies the process, which is exactly what we want to offer our clients."

If I Can Do It...

Buller's experience with his firm in Jennings provided the insight and know-how to continue to build his practice. The transformation of his firm was so successful that he opened a second firm in Covington.

The firm's play area allows clients to meet with their accounting professional while their kids have fun. In photo: Ella and Sarah.

"It was a journey of discovery, but once I figured everything out, I simply applied the business model from the firm in Jennings to the new firm."

Richard Buller CPA Services, LLC is a great example of what can come when the right changes are implemented—and you stick to your guns. By applying the basics, such as integrated software and standard processes, and making new processes mandatory firm wide, he turned a once chaotic office into a thriving and smooth operation.

"If I was able to turn my firm around, I believe anyone can do it," Buller asserted. "I faced the same issues as many firms, like outdated technology, but I would guess that most firms didn't have staff and clients in screaming matches. If we can go from that level of chaos to harmony, other firms can too."

Kristy Short, Ed.D

Kristy Short, Ed.D, is partner and Chief Marketing Officer in RootWorks LLC (RootWorks.com) and rwc360, LLC (rwc360.com)—firms dedicated to providing practice management education, branding, marketing, and public relations services to the accounting profession. She is also a professor of English and marketing. Reach her at kristy.short@cpapracticeadvisor.com.

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Knowledge Management

The leadership in firms across the country is aging, and most are concerned with where the next wave of leaders will come from. While this is a valid concern, and one I've written about in my last two columns, it unfortunately isn't the only issue we need to be worried about. Equally important is what will happen to all the wisdom, experience and knowledge that these seasoned professionals have built up in their heads over the years when they call it quits. If knowledge management hasn't hit your firm's radar yet, I'd suggest you take a look at your firm's strategic priorities.

What is it? Knowledge management is a process to embrace knowledge as a strategic asset to drive sustainable business advantage and promote a "one firm" approach to identify, capture, evaluate, enhance and share a firm's intellectual capital. In other words, it is your firm's system for capturing, managing and re-using the knowledge that resides in electronic documents on your network or, more important, the tacit knowledge that is in your employees' heads. Knowledge management, however, is not about the technology systems that you implement. Technology enables you to gain a return on the knowledge in your firm.

Jim Boomer, CPA.CITP

Jim Boomer is a shareholder and the CIO for Boomer Consulting, Inc. He is the director of the Boomer Technology Circles™ and an expert on managing technology within an accounting firm. He also serves as a strategic planning and technology consultant and firm adviser in the areas of performance and risk management. In addition, Jim is leading a new program, The Producer Circle, in collaboration with CPA2BIZ and the AICPA.

Knowledge Management is:	Knowledge Management is NOT:
A system focused on people, processes and procedures.	A system focused on technology.
Focused on improving business performance.	A single technology or technique that can solve your knowledge management issues.
A long-term, continuing initiative.	An event.

Tacit vs. explicit knowledge

Tacit knowledge is knowledge that has been developed and internalized over a period of time, entailing so much accrued and embedded learning that it is often difficult to differentiate from an employee's day-to-day behavior. It's natural to take for granted the widespread awareness of this information: "I know that, why doesn't everyone else know it?" Tacit knowledge can be shared and re-used through casual conversation, but is rarely captured in an electronic format. Explicit knowledge, on the other hand, is formal, documented and can be easily shared, organized and re-used. Explicit knowledge typically comes in the form of books, documents, white papers, databases and policy manuals. Why is it important? We will face a significant leadership transition over the next few years as seasoned professionals retire, and many firms will be at risk of a significant amount of knowledge walking out the door with these retirees. Without a formal knowledge management system in place, much of the tacit knowledge that individuals assume everyone else knows will be lost – and won't be missed until it has already left the firm.

Even without the impending leadership shift, knowledge sharing and collaboration is simply an operational best practice. Firms that share knowledge are more collaborative, efficient and profitable. Corporate America recognized this years ago, and that is why a majority of the Fortune 500 companies already have a knowledge management system in place. Recently, more and more accounting firms have started to recognize the positive impact such a system can have on their organizations.

Knowledge Management Components

Many people fall into the trap of thinking document management is the same thing as knowledge management. A knowledge management system incorporates several key building blocks, one of which is a document management system. The critical components of Knowledge Management include:

- Document management
- Search
- Skills database/expert profiles
- Online question and answer
- Collaboration & project workspaces
- Knowledge portal
- Incentives and accountability

What are the benefits?

There are many benefits associated with a knowledge management system, some of which include:

- Improved decision making;
- Improved customer service;
- Improved response to issues;
- Enhanced employee skills;
- Improved productivity;
- Increased profits;
- Sharing of best practices; and,
- Employee attraction/retention.

What are the challenges?

As with any initiative that requires a major shift in culture, processes and behaviors, there will be challenges to overcome:

- Change management
- Aligning incentives with firm goals
- Accountability
- Technology vs. firm project
- "Knowledge hoarders" – protecting job security
- "Client hoarders" – protecting book of business

Conclusion

While finding the next generation of leaders should be at the top of your priority list, right up there with it must be equipping them with the knowledge and skills to be successful. Implementing knowledge management today is the only way to adequately prepare for that day in the future when the transfer of power will occur. A knowledge management system will help to both organize your firm's explicit knowledge and to facilitate the capture and transformation of tacit knowledge into explicit. Knowledge management requires a major cultural change and has its challenges. However, the benefits outweigh the effort.

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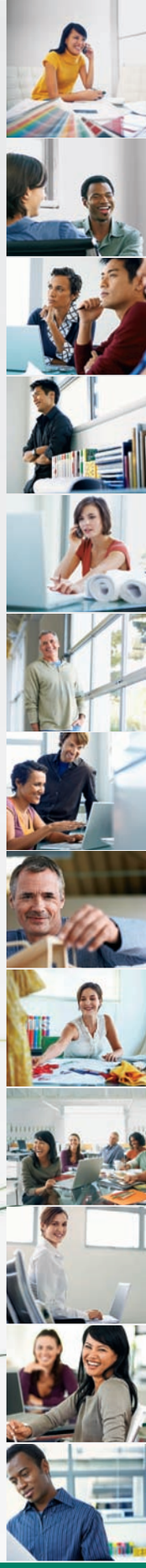

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