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*Managing knowledge  
in accounting firms*

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One On One With  
**RENÉ LACERTE**  
*A Fourth Generation Entrepreneur*

SPECIAL SECTION:

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and 2012 in Review**

ANNUAL

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By M. Darren Root, CPA.CITP, Executive Editor

**MY PERSPECTIVE**

# Looking Deeper into "Why?"

**A**s practitioners and business owners, it's important to consistently evaluate our firm's internal systems. Only through honest analysis, can we identify areas of weakness and work to enhance overall operations.

With this in mind, I often wonder if practitioners also ask themselves the deeper "Why?" questions—the questions that go beyond standard process and procedure and force them to look at why they do what they do every day. "Why do I practice accounting?" "Why do I come into the office each day?" "Why do I work really long hours from time to time?" "Why do I invest in my firm, my staff, and my clients?"

Have you ever taken the time to really think about the answers to these questions? Asking why is a great exercise to get you thinking about your firm, but it's sometimes a tough question to answer. On a day-to-day basis, we may think that we know why we do what we do, but without concentrated thought, do we really?

This concept of "why" has been swirling around in my head for quite some time now. In 2010, Simon Sinek gave a very inspirational TED Talk on the topic ([http://www.ted.com/talks/simon\\_sinek\\_how\\_great\\_leaders\\_inspire\\_action.html](http://www.ted.com/talks/simon_sinek_how_great_leaders_inspire_action.html)).

He asked the question: "Why are some organizations able to inspire while other organizations do not?" He explains that, today, people don't buy a product or service as much as they buy into why you do it. He offers Apple as the perfect example, asking "Why is Apple so popular?" The answer: because today's consumer requires more than a product that simply functions, they require a product that they connect with...that

they believe in. And as we all know, few companies have been as successful as Apple in offering products that consumers truly believe in.

In reference to employees, Sinek also explained that the goal should not be to hire people who need a job, but to hire people who believe what you believe. He went on to say that this leads to bringing in clients that also believe what you believe. So, if we take the time to really think through why we do what we do and

express this belief with certainty, we in turn inspire our employees and clients. Just imagine what kind of practice you could be running!

One important thing to remember is that when you ask yourself "why," this refers to the bigger picture—your purpose. Answers like making money or growing your client base aren't "why you do what you do," they are simply outcomes. You have to look more deeply to appropriately answer the "why" questions. It's a tough exercise, I understand, but can be very enlightening and rewarding. Allow me to clarify a bit more. As very recent empty nesters, my wife and I took advantage of our newfound freedom and took a trip to Paris, France and southern Italy. Being in Italy reminded me of the clothing designer Brunello Cucinelli. In short, his story is that for the past seven or eight years his clothing line has grown exponentially.

Cucinelli represents one of the most expensive brands on the

market, yet it is growing by 35-40 percent each year. A main reason for the brand's success is that Cucinelli has a very clear "why." It's about a passion for what he does, which he passes on to his employees, his clients, and his community. He embraces his heritage and his art, which is reflected in the quality and beauty of the clothes, the company's facilities, and the creative culture. For all these reasons, his employees and customers are totally engaged with the brand and Cucinelli's *why*.

If you've overlooked your "why," it's time to consider it. Take a moment to sit down and really think through why you do what you do. Pinpoint your passion and review if that is reflected throughout your firm. You may be surprised at what you find—realizing it's time to make some serious changes. ●



Darren is the Executive Editor of CPA Practice Advisor. He remains in public practice as the principal of Root & Associates, LLC, in Bloomington, Indiana, and is president of his consulting practice, RootWorks. He formerly served on the Board of the AICPA's CITP Credentials Committee and is a former member of the Board of Directors for the Indiana CPA Society. He speaks at dozens of professional organizations each year and frequently serves as a guest lecturer at Indiana University's Kelley School of Business.



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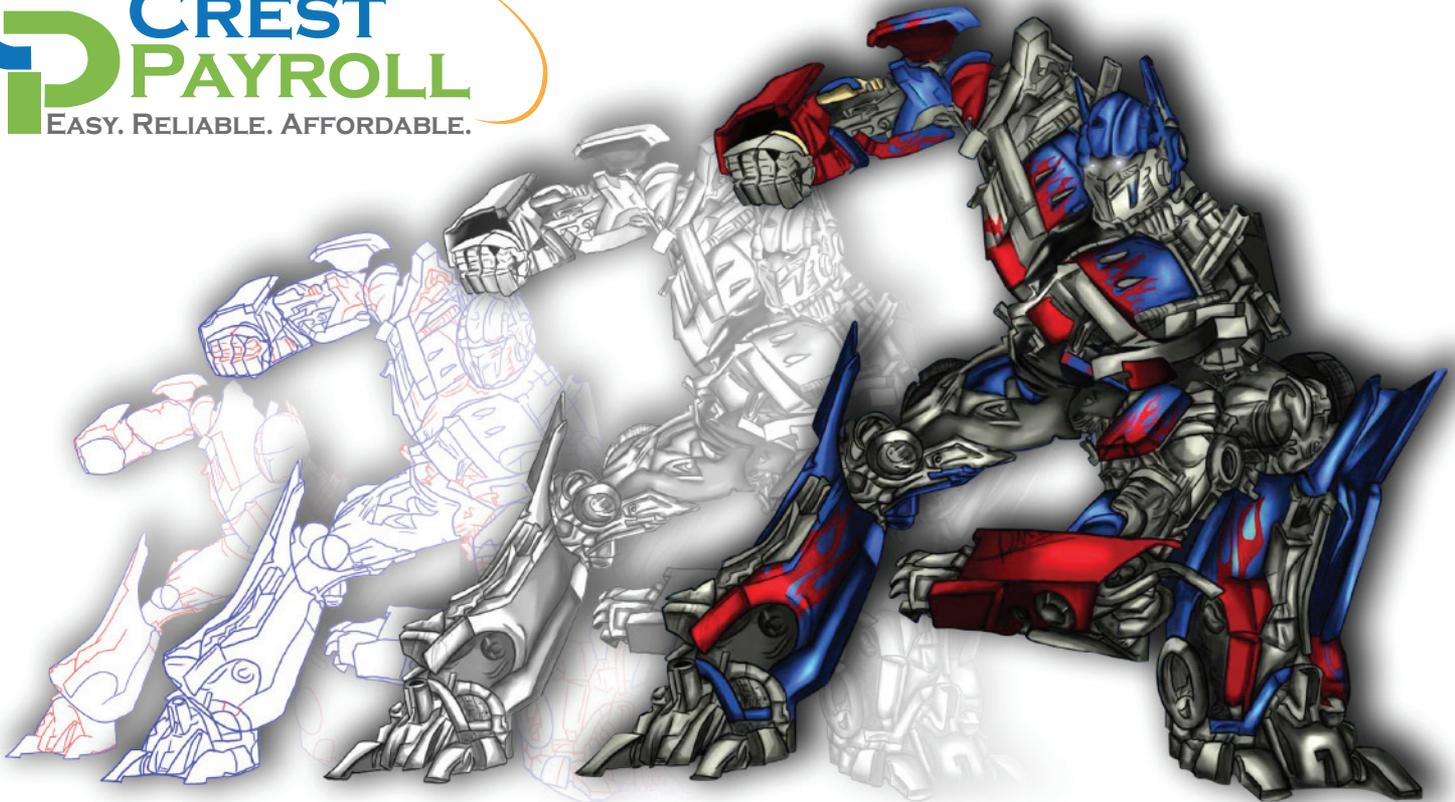
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# RENÉ LACERTE

*- Insights from a Fourth-Generation Entrepreneur*

**A**fter assuming the role of Executive Editor at *CPA Practice Advisor* in 2009, I had the great pleasure of meeting René Lacerte at an accounting trade show. I struck up a conversation with him and positive rapport was immediate.

Over the next four years, we became trusted colleagues and good friends. René is clearly one of those leaders who has a profound understanding of technology, the accounting profession, and business in general, which makes him an excellent selection for our spotlight executive series.

At the time René and I met, he explained how he had just removed himself from day-to-day management of his then online payroll company, PayCycle. He also explained that he was simultaneously launching a new business—Bill.com.

With the mindset of a true entrepreneur, René first identified specific issues and then developed the solutions to solve those issues; launched his companies; hired qualified, good-culture-fit employees; and provided the needed leadership that allowed his staff to grow the business.

There is a good lesson here for small firms. It's been my experience that many firms are challenged in the areas of hiring the right people and applying the appropriate level of leadership to allow staff to expand business. Instead, many small firm owners build their business around their individual skill set and then wonder why their business model depends so heavily on them.

I recently sat down with René and talked with him about his background, how he has grown his two companies, and what he sees as the future of technology in the accounting profession.

**DARREN:** René, tell me a little about yourself.

**RENÉ:** I'm a fourth-generation entrepreneur, so it runs in my blood. Since the late 1950s, the majority of my family's businesses have offered services for accountants and small businesses. I grew up learning about the challenges of managing cash flow, often around the kitchen table from my father and grandfather.

After getting a bachelor's degree in economics and a master's in industrial engineering, I worked at Price Waterhouse as a staff accountant and then a consultant. I remember that the recruiting partner made the comment that the language of business is accounting.

That made perfect sense to me. I learned a ton at Price Waterhouse, but then that genetic itch to build something of my own overtook me. For a bit, I satisfied this itch by working for my parent's payroll company, Certa Data Corporation. By the late 90s, I was working for Intuit where I was responsible for the bill payment, bill presentment, and payroll initiatives.

This only fueled my desire to start my own company, so I left Intuit in 1999 to launch PayCycle, which became the #1 online payroll solution (and was acquired by Intuit in 2009).

During my PayCycle years, I experienced the frustration of managing cash flow using manual, spreadsheet-dependent processes that often led to a lot of human error. I wanted to build a business, not battle spreadsheets, so with this newfound insight, I launched Bill.com to solve the problems I experienced running PayCycle.

**DARREN:** Why did you decide to create solutions for the accounting profession and its clients?

**RENÉ:** As I mentioned earlier, I grew up in a family that offered services to accountants. The night I was born, my mom was sorting



punch cards for one of the largest accounting firms in Washington D.C., so I was quite literally born into it.

Ultimately, though, I love finance and helping people improve internal efficiencies. Also, I want to provide the profession with the right technology to support them in adding even more value to their services.

**DARREN:** *Where did you get the idea to deliver PayCycle through accounting firms?*

**RENÉ:** This is a great question. I remember the day we came up with this. It was at the Los Altos office. We had just learned that our original strategy for PayCycle had some legal issues, and that meant we needed to change course.

I went for a walk with my co-founder Martin Gates to discuss options. While walking, we discussed how many firms perform payroll because they felt they had to in order to keep a client...not because they wanted to. We discussed the power of the Internet and how it would allow firms to become mini-payroll service firms. We were very excited. That day, I visited my accountant and started our first focus group.

**DARREN:** *Today there are many web-based solutions. Of course, you were using the Web as a delivery platform years ago. How did you know 10 years ago that this was the way to go?*

**RENÉ:** I realized the power of the Web in 1995 while at Intuit. We were reviewing Checkfree, and I realized that services were way more powerful than software, and that the Internet was the ultimate platform. As I launched PayCycle, I further realized that cloud services were so much more than anytime-anywhere access.

The Internet brought about the democratization of services that were previously reserved for accountants and businesses with lots of money. The cloud was a game changer—leveling the playing field.

**DARREN:** *After exiting PayCycle, you immediately started Bill.com. Where did you get the idea for this service?*

**RENÉ:** PayCycle was growing fast and I had lots of bills to pay. The early lessons offered by my family became very clear—mainly that cash is king, and I needed to stretch out the pay-

ables and pull in the receivables.

The process at PayCycle was manual and slow. Every Friday, our office manager brought me a stack of checks with invoices attached. Often documents were missing, approvals were non-existent, and bills were paid late. I started to brainstorm for a solution to address these pain points. That solution was Bill.com.

**DARREN:** *What were your biggest challenges in getting Bill.com to where it is today?*

**RENÉ:** Bill.com defines a new category of service focused on cash flow command and control. Being a new category, it has been a challenge to communicate the value. We are not accounting or bookkeeping.

We are not bill paying or invoicing. Yet, we do all these things directly or indirectly. This makes it difficult for people to understand and take the leap to adopt Bill.com. Add in that the profession is only just adopting cloud technologies, and that adds to our challenge.

**DARREN:** *What is your vision of how accounting firms should be using Bill.com, and how do you see that evolving over the next few years?*

**RENÉ:** With Bill.com, accounting firms have more controls, built in audit trails, complete transparency for every transaction, and the ability to collaborate with their customers. I believe that as accountants continue to adopt Bill.com, they will find they can offer more strategic insight to clients while also alleviating clients of the complexities of accounting.

This represents a huge opportunity for firms. Moving forward, as more and more firms experience the power of the cloud, they will bring in more small business clients. The result will be more collaboration among firms, clients, and vendors—and accountants will be at the center of that collaboration.

**DARREN:** *At what point do you see more firms being cloud-based opposed to desktop-based?*

**RENÉ:** I believe that businesses follow consumers. As consumers use more cloud apps, such as banking, social, email, or general search, they will expect similar functionality in working with their accountant. Let's

take online bill payment as an example. I think it is safe to say that most consumers are using online bill payment for some if not all of their bills.

People are starting to ask: Why do I have to write a check at the office? Why can't I pay vendors electronically? That pressure is building, and I believe that in the next three to five years we will see a massive change over. Further, I believe that in the next five to ten years more work will be performed in the cloud than on the desktop.

**DARREN:** *Do you think clients will push firms to move to a collaborative environment or do you think accountants will be the primary source to move clients along the collaborative path?*

**RENÉ:** It takes both to make collaboration work. I do think clients will push somewhat. However, in the short term, I think it is the early adopter—whether that's the firm or the client—that will do the pushing. We have accountants that push all their businesses to collaborate using Bill.com, and we also have business clients that push their accountants to us.

**DARREN:** *You are very close to the accounting profession. What advice would you give a practitioner on positioning their firm for the future?*

**RENÉ:** One of the key lessons I've learned over the years is that you either lead or you follow. The cloud is a major technology innovation that allows accountants to lead their clients. The cloud supports real-time collaboration and enables firms to position themselves as leaders and strategic advisors, so it's imperative for accounting professionals to seek out and implement the technology that moves their processes to the cloud.

**DARREN:** *You live and work in the heart of Silicon Valley. How does your location impact the strategic direction of Bill.com?*

**RENÉ:** Technology moves really fast here. There are so many opportunities to learn from investors, peers, and other companies, and I believe that it gives us a unique advantage. There are many venues to share learning about strategy, technology, and management techniques, so you really absorb a great deal of education by default.

For example, the social nature of many consumer companies definitely

influences how we think about collaboration and social at Bill.com. Also, at the core of Silicon Valley, is the belief that failure is not just okay, but it's a good thing. This means that leaders here take risks, try new ideas, and genuinely enjoy the journey.

This impacts us in many ways. Most obvious to us is in the people we hire. They expect the management team to live up to the culture of Silicon Valley. So, we work hard to ensure that we do.

**DARREN:** *What's the biggest challenge you see facing accountants and their firms today?*

**RENÉ:** I think the biggest challenge is making the migration from the static, non-collaborative tools to the dynamic, collaborative tools that are readily available. For example, every accountant should have an extremely user-friendly portal to share tax documents with clients.

The tools are out there, but it means switching processes and learning new things. That is always hard. The good news is that companies like Bill.com are focused on making that transition very easy.

**DARREN:** *What's the biggest technology business trend that you see from where you sit?*

**RENÉ:** I think the social trend is just getting started. While I don't spend as much time being "social" as others, I understand the power of it. Social media has become a part of the fabric of society in a very short timeframe.

At Bill.com, we create collaboration with employees, accountants, customers, and vendors. This is, in a way, the social side of business. I believe the value in social collaboration is immense, and we are just seeing the beginning.

**DARREN:** *What do you see as the biggest consumer trend?*

**RENÉ:** Again, my answer is social. More broadly, I would say that the cloud is creating the democratization of information never imagined before. Social on the consumer level is the democratization of your personal life.

Social on the business level is the democratization of your business life. That means transparency when you want, with whom you want, and how you want. ●

## REVIEW SECTIONS

## BASIC SYSTEM FUNCTIONS

- General navigation/ease of use
- Content delivery options: paper, CD/DVD, online, All
- Organization sorted by relevance/importance
- Multiple user management
- Multiple browser support
- Various subscription options
- Search routines
- Integration w/T&B applications for billing, DMS output, etc.

## CONTENT

- Licensing options (named users, concurrent users, site license, etc.)
- Multiple providers
- Publicly available
- Breadth of content (Fed, State, A&A, other compliance offerings)
- Newsletters
- Wizards for certain specialized research types
- Templating

## CUSTOMIZATION

- User preferences
- Alerts
- Saved searches/documents

## INTEGRATION &amp; IMPORT/EXPORT

- Integration with Word Document/client letter integration
- Integration with DMS, Portal, Browser toolbar
- Saving & printing to multiple file formats
- Activity/usage reporting for management
- Support for capturing info for billing back charges to clients

## HELP/SUPPORT/TRAINING

- Built-in support features
- System/content update frequency
- Support website/documentation
- Live support, where is support located, hours
- Live chat w/other users
- Multiple training options

# Ever-Changing Tax Laws Require Professional Research Solutions

As changes are made to tax laws and technology, the way business owners interact with their customers and tax and accounting professionals change. Many tax professionals find themselves moving from the role of tax return preparer to year-round consultant. Their clients have tax questions both during the busy season and “off season” and professionals need to be able to deliver the answers their clients need when they need them. Many tax professionals turn to tax research software to help them deliver the correct answers in a timely fashion.

With tax research software, professionals can get the answers they need by searching the software for information on court cases, tax laws and regulations and practice areas. There are several options available for tax research solutions. Some vendors offer direct integration into their existing tax preparation solutions, making it easy for professionals to attach research documents to client tax returns. However, many of the solutions that exist today are web-based and accessible from anywhere with an active internet connection.

To aid in providing anywhere, anytime access to their solutions, many vendors have created mobile versions of their websites and/or mobile apps, allowing professionals to gain access from their phones and tablets. Most of the mobile sites contain access to the same information as the full site, including search history and saved folders. However, the website has been formatted for a cleaner look and feel on the smaller device.

Some mobile sites even offer the option to view the full site on the mobile device. While the mobile apps

may have a different user interface or limited capabilities compared to the full version of the solutions, they are designed to complement the software and provide access when professionals are away from the office or a computer. As businesses continue to focus on mobility, the mobile apps are expected to gain even more functionality over time.

The tax research solutions give users access to analyses and explanations provided by experts and educators in the profession, as well as the vendor’s editors. Other content that may be available includes access to the Internal Revenue Code and Regulations, fed-



find the topic they were looking for. This method is generally used by senior staff or professionals who know exactly where to look for certain practice areas and topics.

## STAR RATING EXPLANATION

Each technology reviewed by CPA Practice Advisor is rated on core areas and also by subcategories unique to that type of system. For the products reviewed here, those areas are listed on the left side of this page. In addition to the overall ratings on the following review pages, you can view the detailed scores that each product received by viewing the reviews online at [www.CPAPracticeAdvisor.com/10824731](http://www.CPAPracticeAdvisor.com/10824731).

eral, state and international cases and tax laws.

Users generally have several methods available to them for searching content. The most common two methods are keyword search and a browse tree. The keyword search works similar to most search engines – users type in a word and search results are generated. Most times, the keyword search comes with an “Auto Complete” feature that “guesses” the word or phrase users are looking up. This is useful for new staff who may not be as familiar with the terminology or a specific area of practice.

The browse tree works similar to an index, with topics grouped under certain categories and practice areas. Users click on a topic to expand it and display its subtopics. Users continue until they

The choice of which tax research solution is best for a practice depends on the needs of that practice and its clients, as well as what tax preparation software they already use. Some professionals may find that it makes sense to go with a solution that is directly integrated within the software their practice currently uses, while that integration may not be as important for others. Regardless, as the tax research programs in this review demonstrate, there is a solution available for everyone. ●



**Taija Jenkins,**  
Associate  
Editor

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- Limited integration options

### SUMMARY & PRICING

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- Various search options tailored to the user's needs and preferences

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- Easily view search results by document type using categorized view

### POTENTIAL LIMITATIONS

- Limited integration with third-party solutions

### SUMMARY & PRICING

IntelliConnect is a tax and research solution that can be used by firms of all sizes to search a wide range of

content and topics. Library subscriptions start at \$200, with additional users added and priced accordingly.

888-224-7377  
[CCHGroup.com](http://CCHGroup.com)

## Intuit - Tax Research for Lacerte and ProSeries

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/10824763](http://www.CPAPracticeAdvisor.com/10824763)



### BEST FIT

Tax firms that currently use Intuit's Lacerte and/or ProSeries tax solutions.

### STRENGTHS

- No additional fees for multiple users
- Uses Google's Search Engine
- Access to Intuit's online forum for Lacerte and ProSeries users
- Direct integration with Lacerte

and ProSeries

### POTENTIAL LIMITATIONS

- No support for multiple logins
- Limited exporting capabilities

### SUMMARY & PRICING

Intuit Tax Research for Lacerte and ProSeries is a tax and research solution designed specifically for Intuit's Lacerte and ProSeries applications. Intuit Tax Research is

directly integrated into these programs and available in three subscription levels – unlimited annual, unlimited seasonal and pay-per-use. The annual subscription is available for \$849 and the seasonal subscription for \$449.

The seasonal option allows firms to use the solution from April 16 to October 14. Both options allow unlimited searches and attachments to client returns and do not have a

fee increase for additional users. The pay-per-use option is available for \$19.95 per use and includes printing, saving and attaching up to four articles per client return.

800-200-7599  
[lacerte.intuit.com/products/tax-research](http://lacerte.intuit.com/products/tax-research)  
[proseries.intuit.com/products/tax-research](http://proseries.intuit.com/products/tax-research)

## Thomson Reuters - Checkpoint

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/10824767](http://www.CPAPracticeAdvisor.com/10824767)



### BEST FIT

Tax and accounting professionals looking for a consistent tax and accounting research solution

### STRENGTHS

- User-specific customization
- Comprehensive search function

- Synchronization between mobile and full versions of the site

### POTENTIAL LIMITATIONS

- Numerous search options may be burdensome for new or infrequent users

### SUMMARY & PRICING

Thomson Reuters Checkpoint is a single platform for tax and accounting research that features content from a variety of primary and third party providers. Its customizable interface allows users to choose the layout of their home

page and other features. Subscriptions are based on the number of users and subscribed content and start below \$1,000.

800-950-1216  
[checkpoint.thomsonreuters.com](http://checkpoint.thomsonreuters.com)



## Gadgets & Gifts 2012: Tech for the Holidays

### Express Your Inner Geek with These Gift Ideas

Whether you have snow or sand outside your door, the holidays are nearly upon us. That means getting together with friends and family, enjoying some time away from the office and, of course, gift giving.

Whether your list includes extreme tech fanatics, grandparents, kids or your staff, it's sometimes hard to find the right gift for each of them. It's getting easier, though, since virtually everyone in the U.S. now has some form of office or mobile technologies and gadgets. *CPA Practice Advisor's* annual Gift Guide is split into this December issue and our January issue, which will be delivered to subscribers and online in mid-December, just in time for last-minute ideas.

From everyone at *CPA Practice Advisor*, we wish you the Happiest of Holidays and a prosperous New Year.

water-resistant sleeve for iPads, providing protection against drops from as high as 35 feet, and with a design that makes it easy to pack in backpacks or other bags. ([www.g-form.com](http://www.g-form.com); \$49.99)

### ONE LESS THING TO CARRY

You take your phone with you everywhere you go, but why do you need to also carry along a full wallet when all you really need is a place to hold a couple of cards and some cash? The **QCard Case** helps lighten your load by turning a durable protective iPhone (4/4S) case into a convenient wallet for the essentials of your mobile life. ([www.cm4.com](http://www.cm4.com); \$39.99)



### A SMART PHONE CASE WITH A BUILT-IN BATTERY? BRILLIANT!

If you're always on the go, keeping your smart phone charged is a challenge. It's a lot easier, though, if you have a **Power-Skin Battery Case**. The cases provide up to twice the power for popular models of iPhone, Android, Windows and BlackBerry smart phones. A new designer series adds options for vibrant colors, more battery-boosting power and reinforced impact protection. ([www.power-skin.com](http://www.power-skin.com); \$69.99-\$79.99)



### THE DIGITAL FLOWER POT

For those who enjoy house plants, but weren't born with a green thumb, check out the **Click and Grow**, an easy-to-use electronic



**iStabilizer Monopod** lets you add more creative angles and perspective, extending up to three feet and providing much more professional quality videos, whether taking videos of yourself or of others. ([www.iStabilizer.com](http://www.iStabilizer.com); \$34.95)



### TAKE YOUR MUSIC EVERYWHERE

For the extreme outdoor enthusiast and music lover, the **Braven 600 and 625S Wireless HD Speakers** are a perfect match. Ready for the mountain, water sports or any other activity, the speakers also work as a speakerphone and phone charger. They have rugged, shock absorbing cases and tough aluminum grills, and come with a waterproof bag, USB flashlight and up to 16 hours of battery life. ([www.Braven.com](http://www.Braven.com); \$179.99)

### GIVE YOUR SMART PHONE VIDEOS A NEW PERSPECTIVE

When you take videos with your smart phone, you're usually limited to the length of your arm. The



### DUDE, PROTECT THAT PAD

In December of 2011, my iPad didn't survive a 5-foot fall... Don't experience what I went through by letting an accidental drop end the life of your iPad. Protect it with the **G-Form Extreme Hydro Sleeve**, a



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](mailto:isaac.obannon@cpapracticeadvisor.com).

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\*1.3 million based on number of QuickBooks Online paying users worldwide, September 2012. Leader in cloud-based accounting based on number of paying users as of August 2012.

**intuit.** QuickBooks

## TIPS & TRICKS

“smartpot” that grows real herbs and flowers without needing water or fertilizer, and without having to know anything about gardening. The Click and Grow automatically measures and applies the right amount of water, fertilizer and air based on the plant’s needs. ([www.clickandgrow.com](http://www.clickandgrow.com); \$59.99 starter kit; \$19.99 for additional plants)



### COOL IN THE POOL, OR TAKE IT TO THE LAKE

Sometimes even I’m at a loss for words, and the **ECOXB**T has almost done it this time. It’s a wireless Bluetooth speaker for any device, plus it doubles as a speakerphone. Oh, it’s also 100% waterproof and can be fully submerged in water. It’s also rugged and stylish and comes in cool colors. ([www.ecoxgear.com](http://www.ecoxgear.com); \$99.99)



### LET THE GOOD TIMES ROLL

Need a fun distraction from work or just a cool toy to play with in the house? Check out the **Carbot, Tankbot and Trekbot**, micro-robotic race cars and devices that can battle opponents, navigate mazes or just drive around. The wireless gadgets are fully-controllable with an iPhone, iPad, iPod Touch or Android device. ([www.MyDeskPets.com](http://www.MyDeskPets.com); From \$24.99)

### A TABLET FOR EVERYONE

Tablets are fun, easy for users of all ages, and you the ability to access full dynamic web, video, apps and email from anywhere. Even better, now there’s an affordable Android



tablet. The **eMatic EXP8** runs on Android 4.0, and offers a full-size tablet experience with a 9.7 inch high resolution screen and fast processor and GPU. The EXP is less than a half inch thick and is a great lightweight companion for those on the go. ([www.ematic.us](http://www.ematic.us); \$179.99)



### DOCK YOUR IPHONE IN STYLE

iPhones are popular partly because of their sleek style. Now, you can add to that its elegance when charging by using the **MetalDock**, a charger and dock for iPhone 4/4S that offers an elegant, contemporary design, combined with heavy-duty metal construction. Perfect for the home or office, it’s a simple way to stylishly display your phone. ([www.bracketron.com](http://www.bracketron.com); \$34.95)



### MAKE YOUR MOBILE PHONE EVEN MORE MOBILE

Mobile phones are convenient, but not always comfortable to use as a phone. The **ePure Mobile Bluetooth Station** offers a handset and speaker phone that allows you to view your phone while speaking, without having to be on speaker. It also connects and recharges your mobile device, and has an extended Bluetooth range of more than 60 feet. Plus, it can reduce exposure to

potential radiation from cell phones. The stylish design compliments any desktop, and can even stream your music in stereo. ([www.epure.swissvoice.net](http://www.epure.swissvoice.net); \$149.99)

### SOPHISTICATED SWEETS

This is not at all tech, but what the heck! For people with passionately prurient palates, the consummate confectioners at **240 Sweet** have your fix of luscious luxury. We’re talking magnificent gourmet marshmallows that come in nearly 200 unique flavors, from bacon chocolate chip and salty caramel swirl, to maple with bourbon sugar and even a spicy Thai chili. The puffs are hand-crafted in small batches, using only local, all natural real foods. These are definitely not your grandma’s marshmallows. ([www.240sweet.com](http://www.240sweet.com); from \$6.00 for small packages, also available in monthly theme sets.)



### YOUR GADGETS SHOULD MATCH YOUR STYLE

Whether you prefer a classic menswear look or something to reflect your inner preppy, **Preppy Princess** has a wide range of iPad and iPhone cases for individuals wanting something more elegant than generic covers and cases. The covers are available in “Bespoke Suite” styles, as well as shirt and tie, and nautical flag designs. There are also designs for the anti-preppy, in their “GTH” group. All of the products can be personally monogrammed. ([www.PreppyPrincess.com](http://www.PreppyPrincess.com); From \$25)



### A POWERFUL PORTABLE PROJECTOR

Mobile professionals often need a projector, but they always pose a challenge in airport travel and it’s just inconvenient to have to lug an extra case around. The **Acer C120 USB Projector** is the solution. It’s travel-friendly size is about as big as one iPhone (and the thickness of two), and the C120 instantly connects to a laptop or PC and is a great fit for travelers, providing up to 1280x800 resolution and 100 Lumens of brightness. ([www.Acer.com](http://www.Acer.com); \$259.99)



### GET YOUR GAME ON... ON YOUR TABLET

Tablet gaming is on the rise, but playing the games, especially first-person shooter and sports, using the touchscreen isn’t the best interface and hands get in the way of the display. **GameStop** has the solution, with its exclusive **Bluetooth tablet controller**, giving gamers with Android tablets a more comfortable gaming experience whether at home or on the go. It has a connectivity range of up to 30 feet, perfect for when playing tablet games when connected to an HDTV. ([www.GameStop.com](http://www.GameStop.com); \$39)

In the January issue, we’ll have even more last-minute tech gift ideas. From everyone at *CPA Practice Advisor*, We wish you the Happiest of Holidays and a prosperous New Year. ●

# How Client Accounting Fits Into Firm Workflow

**The strategic decision to move client bookkeeping processes into the cloud offers accounting professionals a choice on how they will work with client information.**

Practitioners in the cloud experience a wide range of benefits, which include direct importing of transactions, real time reporting, rules for automatically classifying transactions and anytime anywhere access to transactions and supporting documents. Clients obtain more relevant and timely data, and firms can reduce staff overtime.

## The Challenge: Workload Compression

One of the more significant management challenges in an accounting firm is workload compression, where a large portion of the work occurs in a relatively short time period. The traditional client bookkeeping model revolves around the client sending bank statements and checkstubs in a batch at the end of the month for processing. While many of the transactions have been posted to the client's bank for a month by the time they are received, traditional firms wait for the checkstubs to arrive before starting the monthly bookkeeping.



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

Firms working in the cloud avoid this bottleneck by creating rules to classify transactions imported daily from the client's bank and credit card companies. Accountants who practice in the cloud can also be better business advisors to their clients, as they see transactions as they occur in near real-time instead of a month or more after they occur. This time advantage enables more timely and relevant advice to the client, and makes it easier to meet filing deadlines.

**Some common ways to begin the transition to client accounting in the cloud are:**

- Implement online banking and mobile payments for your firm and your clients
- Manage receivables and payables using cloud-based tools
- Adopt an online or hosted bookkeeping application which can be used simultaneously by the accountant and the client
- Adopt online payroll tools

Although it may take awhile to transition clients to web-based tools, this change is required to maintain the relevance of the accounting profession to small businesses. Planning and leadership from both partners and staff are needed to minimize errors and interruptions.

## Implement Online Banking and Mobile Payment Acceptance

The mobile payments revolution has changed the way we pay for everything from gasoline to Girl Scout Cookies, and many of our clients need to revise their business processes so that they can accept payments via credit cards.

Merchant services can help improve your clients cash flow. Services are available from traditional banks, accounting software vendors like Intuit Payments and Sage Payments, as well as payment companies like PayPal and Square.

New tools like check scanners can be used to electronically deposit the few remaining checks written to your firm, eliminating bank visits altogether. These steps can eliminate 15-30 minutes of staff time needed to visit the bank every day, and frequently provide more rapid access to funds than traditional paper deposits.

## Use Online Tools for Receivables and Payables Management

A frequent problem of many organizations is entering, tracking and payment of receivables and payables. Services like SmartVault, Bill.com, and Concur Small Business make it possible for clients to capture, store and organize digital images of invoices and receipts using devices like smartphones and tablets.

Clients can also manage their receivables and payables from a computer, tablet, or mobile phone using cloud accounting tools like the AccountantsWorld PowerPractice suite, Bill.com, QuickBooks Online, Xero, FreshBooks Cloud Accounting, Sage One and Wave Accounting. Tools like these permit the client to enter transactions and process payments for A/R and A/P, and potentially eliminate the need for the accountant to enter the same transactions into client accounting systems.

## Adopt Hosted or Online Bookkeeping Solutions with Bank Integration

Clients and accountants no longer have to accept the 15-45 day delay between when a transaction occurs and when it is included in the financial reports. Real-time financial reporting makes it possible for employees to post transactions on the earlier of (1) when they are entered into the software by

the client, or (2) when the transaction is recorded at the client's bank or credit card company.

Clients can have real-time financial information which can be used to make rapid adjustments to strategies to take advantage of emerging opportunities or eliminate unprofitable transactions. Outside accounting professionals no longer have to wait until the client sends the checkstubs and bank statement to work on the client's books, as the work now occurs in real-time instead of in a batch at the end of the month.

This transition eliminates the workload compression and overtime associated with the month-end closing of the books and gives the firm earlier access to the data needed to prepare required filings like payroll and income tax returns.

## Online Payroll Preparation and Tax Reporting

Payroll is one of the most mature cloud-based services offered to clients. Many firms have been preparing client payroll online for years, and the products, systems and procedures have been proven to be effective. Firms who are not yet using cloud-based tools can try them out on a small number of clients first.

There are a wide range of online payroll products available where the client, the firm and the payroll service work together to meet the client's business requirements. More information on specific products can be found in the reviews section of [www.cpapracticeadvisor.com](http://www.cpapracticeadvisor.com).

Moving client accounting online is a strategy whose time has come. The tools have the potential to save accounting professionals and their clients significant amounts of overtime while also providing better client service. There is no question that the future of accounting is online – the only question is how and when your firm will implement the required changes. ●

# Tech Predictions for 2013

Judging from the media coverage, technology hardly existed at all in 2012. Instead, the nation sat enthralled, week after week, by billions of dollars in political ads, four debates and nearly-endless campaign speeches.

But it wasn't as slow a tech year as the political wrangling might portend. In fact, between a rising stock market and a declining jobs market, we managed to see tech news that was both good and bad.

Perhaps the best way to define technology in 2012 is that it was a balance of extremes. On the flashy end of the business, Apple products drove the company to the top of the stock markets; Blackberry died a grisly death; and Microsoft pushed out yet another Windows operating system. On the more subdued end of the industry, companies continued to see solid profits; cyber-security became more critical; and software got notably better – with smaller code, better user interfaces and tighter integration.



Mr. McClure is a consultant and widely published writer on technology issues. He can be contacted at [dave.mcclure@cpapracticeadvisor.com](mailto:dave.mcclure@cpapracticeadvisor.com)

So what's in store for 2013? Here are our predictions:



**1 IT'S ALL ABOUT THE CAR.** These are the tech wars for dominance, now comfortably

settled into familiar trenches. Apple dominant, Google holding its own, with an occasional assault by Microsoft and its allies. Much like the trenches of World War I and the Maginot Line. The only way for anyone to advance is to open a new front, and that's slowly happening inside the family automobile. Forget radios and GPS systems. Voice-command systems will be the first battle, and this will be a free-for-all in hands-free computing, with the battleground being the center console of your automobile.

**2 AOL WILL MAKE A COMEBACK.** For a company that is barely two decades old, AOL has been many things to many people. A pioneer in online services. The top of the publishing pyramid. A company without an identity. An email service struggling to survive. But ever so slowly, the company has rebuilt itself around its content and its communities, and in 2013



will begin to re-emerge as a serious contender to some of the market leaders. That AOL mail account someday may mark you as a savvy Internet user once again.

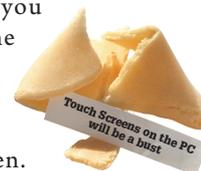
**3 THE DESKTOP PC WON'T BE DEAD.**

If I had a dollar for every tech pundit who had predicted the death of the PC computer, I would be retired by now. The desktop PC is not dead, it's just evolving to take the middle ground between the smartphone/tablet markets at one end and the high-def television and video markets at the other. Bigger screens, touch screens, more USB ports and better integration with devices at both ends of the spectrum. The PC will no longer be the top of the tech pyramid, but will begin to emerge as the bridging device – and thus still indispensable.



**4 TOUCH SCREENS ON THE PC WILL BE A BUST.**

Sure, touch screens are amazing and cool and the wave of the future. Until you realize that the screens are more fragile than other types of screen. And until you realize that every touch on the screen means a greasy fingerprint that requires cleaning to see the screen properly. Smartphone users will tell you that touch screens are already a nuisance in that market. Imagine having to clean a surface twenty times that size every few minutes. Remember, touch screen monitors have been around for many years now, and have already failed to capture the attention of users in any significant way.



**5 TAX TECHNOLOGY WILL RESURGE AS A MAJOR PART OF ACCOUNTING.**

Particularly tax software and systems. Forget about tax simplification – all of the indicators point to a tax system that is more difficult to keep pace with, tax returns that are more complicated, and tax compliance measures that require more careful attention. This means that tax software will become more sophisticated with each revision, in the battle to keep current. This will drive additional customers to tax professionals – many of whom have done their own taxes in previous years. And will drive the development of newer and better technologies the manage taxes.



**6 WINDOWS 8 WILL BE...MODERATELY SUCCESSFUL.**

Microsoft has gone a long way to make this latest operating system its best ever, and early impressions are that they have succeeded. But they have also attempted to make a radical change in our perceptions of what an operating system is and should be. In an effort to develop a single system for all sizes of screens, Microsoft has upped the ante in the battle for the desktop. But it has also introduced a lot of change very rapidly, and is facing some resistance even now because of it. Stay with Windows 7, anyone?



**7 SYSTEM SECURITY WILL BEGIN TO EVOLVE.**

Let's face it, the user-name-and-password routine has failed dismally when it comes to



protecting data. Any data that can be shared will be shared with people we don't choose to share it with. New systems are beginning to emerge, but they are too complicated for the average consumer to easily use. That means that if we have any hope of securing sensitive data, it will require a new strategy. Or more than one. By 2013, we will begin to see that take shape.

8

### TECHNOLOGY COSTS WILL SOAR.

The tech sector is one of the few areas that seem impervious to the ravages of recession. Sure, many parts of society get left behind. But the upscale, urban early adopters will continue to buy as long as they have a paycheck, and that

drives the sales of technology tools and toys. But the down side to this is that everything becomes more expensive. Entertainment companies will continue to push "anywhere, everywhere" viewing, at increasingly higher costs. Data caps will try to push cell phone data bills higher to offset losses in voice revenues. Cable and satellite companies will push to generate higher revenues per subscriber. Prediction: we will see total tech costs rise by up to 10 percent due to new taxes and efforts to maintain revenue growth for tech companies.

9

**PC GAMING WILL MAKE A COMEBACK.** Gaming consoles have been all the rage for the past decade, because they delivered a superior gaming experience and graphics. But the battle for device space in the living room has

caused consoles to move into PC territory, offering streaming video and Internet access.

At the same time, PC-based "media centers" have become more prominent as part of the living room entertainment mix. The arena in which PCs do not have superiority today is gaming. Look for PC software manufacturers to pushing harder in gaming to take on competition from the consoles.

10

**APP STORES WILL BECOME A THING OF THE PAST.** Once Apple proved that it could stock iTunes with superior

products and get a superior price, the market exploded with app stores. Virtually every company built castle walls and moats around their content, trying to achieve Apple's levels of profitability. It did not happen. Instead, many companies found that by making their content proprietary they were simply driving customers toward... well, Apple and its products. Look for companies to dismantle their own app stores, instead rallying around a central store for which they can attain some shared revenue. Sounds like a good deal for Google, or Amazon.com. ●



For an expanded version of this article, with more insight, visit [www.CPAPracticeAdvisor.com/10826369](http://www.CPAPracticeAdvisor.com/10826369).

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# 2013 EXECUTIVE PREDICTIONS 2012 YEAR IN REVIEW



## THE BHANSALIS

### Founders, AccountantsWorld

Dr. Chandra Bhansali and his wife Sharada are working tirelessly and continuously to help you reshape the successful future of your practice. They gave up a lucrative tax software business to create the cloud-based Accountant-Centric solutions. Under their leadership, the highly motivated, committed and talented AccountantsWorld team has performed more exemplary pioneering work in cloud-based solutions for accountants than any other company—including multi-billion dollar corporations. For their important contributions to the accounting profession, Dr. Bhansali has been named one of the “100 Most Influential People in Accounting” by *Accounting Today* for 10 years running, and Sharada Bhansali has been selected as one of the “25 Most Powerful Women in Accounting” by *CPA Practice Advisor* in 2012.

888.999.1366

Please visit [www.AccountantsWorld.com](http://www.AccountantsWorld.com) to learn more about its complete suite of eight fully integrated and groundbreaking Accountant-Centric solutions.

## The Accounting Profession Will Become More Rewarding and Relevant

You should be proud to be a member of a noble profession. And yet, over the years accounting practices have been marginalized. Most accountants feel the profession is not as rewarding as it deserves to be. Why?

**The primary reason is that the accounting profession is under constant attack from external forces.** Mega-corporations have invaded accountants' core services—tax, accounting and payroll—thus hurting accountants on every front. You know which mega-corporation is relentlessly penetrating deeper and deeper into every core service with a single focus: to dominate every service in every way, using every means, regardless of the damage done to accounting practices. This mega-corporation has taken control of client accounting and pushed accountants to the sideline so accountants have to play by its rules. And now it is going full force to take control of payroll services.

But that's not all....

Accountants have not only lost control of their core services; they have also compromised their most precious business asset—their client relationships. Your clients are now also the customers of these mega-corporations, and you are their competitor. And these corporations must do everything to increase their influence on your clients and weaken your importance.

Don't blame the corporations. They're not in business to serve your interests. They exist solely to raise their shareholders' value. And they're doing a great job of it—at your expense.

In the past there was nothing you could do about it.

But now accountants are fighting back. Thousands have already regained control of client accounting, raised their status, created stronger bonds with their clients, and are doing what's best for their clients and their practices. And that just the beginning for a better, brighter future for the accounting profession.

### THE KEY TO THIS TRANSFORMATION IS: THE ACCOUNTANT-CENTRIC PARADIGM

One of the most important developments for the profession in decades, the *Accountant-Centric* premise lets you and your clients work together while you play the

leading role, driving your client engagements as a project leader and advisor. As a result, you can now establish a true advisory role for yourself—exactly what you want to do, and what your clients want from you.

This new paradigm puts YOU back in the driver's seat, and lets YOU fend off attempts to invade your turf by any mega-corporation, no matter how powerful.

### WHAT MAKES THIS POSSIBLE?

The power of the Internet and the collective effort of accountants.

The most important advantage of the Internet is that it lets you work collaboratively with your clients—a very powerful weapon in your arsenal, and something you could never do before.

Second, it levels the playing field by giving you access to the computing power that only mega-corporations had in the past.

For example: a cloud-based Accountant-Centric payroll solution gives you access to the same processing power that only the payroll service bureaus once enjoyed. Now you can easily offer highly profitable payroll services without compliance headaches. That's how you eliminate the need to share your clients with any potential competitor and create stronger bonds.

Accountant-Centric accounting solutions include everything you and your clients need. They let you customize the system for each client. They eliminate such problems as the bookkeeping messes clients make, cumbersome file transfers, working with different version of G/L systems, and more. They let you become a virtual controller and help clients manage their business finances effectively. *They make you a valued business advisor.*

Most important, true Accountant-Centric systems are sold exclusively to accountants, who can best decide how to use them. By eliminating the need for clients to buy a standalone third-party G/L system, you're eliminating a potential competitor and you fully protect your client relationships.

The moment has arrived, and accountants finally understand they can regain control of their core services, raise their prominence, and make their practices more rewarding. All this, by joining the new Accountant-Centric movement.

## ABOUT ACCOUNTANTSWORLD:

Taking full advantage of the unprecedented power of the Internet for over a decade, AccountantsWorld has been developing a new class of cloud-based solutions Accountant-Centric solutions that will have a major impact on the accounting profession. The foundation of these Accountant-Centric solutions is that they let accountants work collaboratively with their clients while

accountants remain in full command. This paradigm shift has a tremendous, positive impact on accounting practices. It lets accountants create stronger bond with their clients, become valued advisors, and turn commodity services into a highly rewarding enterprise.

AccountantsWorld®  
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# The **Hottest Profits.** The **Cooler Price.**

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## Fastest processing.

Payroll Relief® does all the heavy lifting for you and completely eliminates compliance headaches. It does the following automatically, on time, and with guaranteed 100% accuracy.

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Payroll Relief also eliminates time-consuming tasks in your office like payroll data entry, printing/mailing paychecks and reports.

## Cooler price.

For a limited time, you can process an unlimited number of payrolls for a **full year for just \$997.\*** That's less than \$3 a day! Then Payroll Relief remains competitive with an all-inclusive processing fee that's as little as \$0.50 per paycheck.

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# 2013 EXECUTIVE PREDICTIONS 2012 YEAR IN REVIEW



**SHAFAT  
QAZI**

CEO and Founder,  
BQE Software

For nearly two decades, Shafat Qazi, the CEO and Founder of BQE Software, has worked with professionals in service-based businesses such as accountants, attorneys, architects and engineers to develop solutions to help them achieve greater efficiency in the management of time, expenses, billing and projects. Shafat has a passion for technology and possesses an innovative and forward thinking mindset that is reflected in the time and billing solutions developed by BQE. Examples of this include the implementation of workflow automation and the use of Fuzzy logic (i.e., Artificial Intelligence) to create software that actually learns as it's used. Not content to just solve the current needs of BQE's customers, Shafat is always looking to create solutions for future demands that may arise from the latest technological innovations and changes in the industry BQE serves.

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## 2012 in Review: The Year of the App

I see the continued success of BQE as a reflection of our listening to our customers and proactively developing the technologies they need to be more successful in their businesses. I am exceptionally proud of a few key advancements we made in 2012.

**1]** The Year of the App. BQE customers are increasingly moving toward online technologies that help them stay connected with their business data. As a result, there was a huge surge in downloads of the mobile apps we've developed for Apple and Android mobile devices and tablets, and BQE anticipated this business need and made development in this area one of our roadmap strategies. In the first three quarters of 2012, there were more than 24,000 combined downloads. It's paying off for BQE's customers, too, by allowing them to track time and expenses, and attach documents like receipts to expenses. It was great to see our goals being met, and proving beneficial to business users.

**2]** New Business Intelligence Tools. We always focus our development on features and functions that our users tell us they need. For the latest version of BillQuick, we started with the core elements of time and expense tracking and invoicing, where other programs leave off and added an array of powerful business intelligence tools that help users get more meaningful insight into their business. The dashboards, smart reports and smart screens give customers the insight they need to identify

potential opportunities to increase revenue in their business. The most popular dashboard is found in the Project Center, providing performance analysis of specific projects, and even allowing businesses to find potential problem areas before they materialize.

**3]** BQE's Continued Growth. If the success of a company is dependent on meeting the needs of its customers, then I'm proud to state that we are doing quite well at both. Despite the slow economy, BQE continued to grow at a 30 percent rate in 2012. With improving economic data coming in, I'm confident in continued success in the year to come.

**4]** Awards and Recognition. In 2012, BQE was honored with several distinguished awards, including a Stevie Award for Business Application of the Year, an Innovation Award from CPA Practice Advisor and a Sleeter Group Awesome Application Award, in addition to receiving a perfect Five-Star rating in CPA Practice Advisor's review of time and billing systems. Of note, the Sleeter Awards included public voting this year, and BQE received more than 40,000 votes, which shows the great appreciation our customers and professional accountants have for our products. BQE has received more than 100 awards over the company's history, but receiving these four prestigious honors in the same year is unprecedented, and we are very grateful.

## LOOKING FORWARD TO 2013 & BEYOND

**1]** Microsoft's Windows RT will miss the mark. Windows RT, the new mobile platform version of Windows 8 for tablet devices, will fail to attract customers because it has been slow in its debut and lacks an ecosystem of business apps and developers. BQE will consider adding support for it, but thus far, Microsoft hasn't been doing the necessary work to get it to be adopted. As a result, it is at a major disadvantage compared to the iOS and Android platforms.

**2]** There will be a huge surge in mobile platform development for tablets. Developers for iOS and Android are busy creating native tablet apps that make fuller use of the larger interface than phone apps can. Businesses want more than just a few data points to connect with, and the native tablet apps will provide the richness and robust nature of a desktop program, with much greater detail and full program accessibility. As more business customers adopt

tablets, the more they are requesting tablet apps that provide this enhanced functionality, and as the BYOD movement continues, more and more employees will be bringing their own tablets to work.

**3]** Significant Improvement in the Economy. Many of BQE's customers are seeing a recovery beginning in the construction industry. This sector and the markets around it have a powerful impact on many other industries, so I expect to see overall economic improvement. This will likely also lead to improving numbers for technology companies that support them, as the result of an increase in software sales to support the needs of these new and expanding companies. Also, with banks and other financial institutions more stable, they are finally making lending more accessible, while interest rates are near record lows.

## ABOUT BQE SOFTWARE

BillQuick® by BQE Software is the leading time & billing, and project management software for small to mid-sized firms. With over 300,000 customers, it's the trusted solution that CPAs, accountants and other professional services firms depend on every day. BillQuick streamlines your time & billing processes, increases profitability, and helps you make better business decisions with real-time data. It integrates with QuickBooks, Peachtree, MYOB and Outlook. Add-on products for BillQuick include:

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cloud service or self-hosted Web Suite.

- Free, native iPhone and Android Apps that allow Web Suite and BillQuick Online customers to enter time and expenses seamlessly from their phone.
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- BillQuick Outlook Add-In to record all appointments, tasks and correspondences created in Outlook as time entries.
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# 2013 EXECUTIVE PREDICTIONS 2012 YEAR IN REVIEW



**TERESA  
MACKINTOSH**

**Executive Vice  
President &  
General Manager  
of Tax**

Teresa Mackintosh is CCH's Executive Vice President & General Manager of Tax. As the head of CCH's largest business serving tax professionals with innovative and customer-focused solutions, Mackintosh leads CCH's Tax Product Development, Tax Technology, Product Management, Sales and Tax Operations. An experienced leader with more than 16 years in the information, technology and software industries, Mackintosh has held numerous executive leadership positions in strategic marketing, product management and business development. At CCH, Mackintosh is driving the delivery of new and enhanced tax solutions, including cloud and mobile solutions, to ensure that CCH customers in firms of all sizes serve their clients best. She is consistently recognized as one of the Top 100 Most Influential People in Accounting and a Top 40 Under 40 leader in the profession, and has been recognized as one of the top 25 most powerful women in accounting.

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## Emerging Technologies Transform the Profession

Not all time in life is equal. In the book *Great by Choice*, noted Business Expert and Author Jim Collins notes that there are times in life when the confluence of certain circumstances make some points in time an 'unequal moment' – a moment that presents an opportunity like no other.

As 2012 ends, CCH believes that the unequal moment is approaching in the tax and accounting profession. The trends that have developed over the past few years are now converging to create this unequal moment in the profession that delivers opportunities for working in new ways and serving clients better than ever.

The confluence of circumstances that have created this significant moment are:

**Clients' Needs and Expectations:** The changing definition of what people overall, and your clients specifically, value in service - including self-service through web sites and portals; easy access

to you and their information; and the ability to collaborate with you;

**Dynamics of the Profession:** The slowly recovering economy and continued pressure on profitability creates the requirement for higher efficiency, and also new ways to find and serve clients, including clients across the country and around the world; and

**Available Technologies:** Digitized and automated workflows further enabled by cloud and mobile are creating new ways of working, while also meeting the needs of how your clients want to work with you today.

As we look to 2013, more firms will be asking themselves the question of how they will make the most of this moment. And, technology will be an important part of the answer. Technology, applied to the right processes and workflows, supports firms' highest level of productivity, and directly enhances your client relationships.

### 2013 PREDICTIONS

Looking ahead to 2013, CCH believes four emerging technologies will gain greater momentum to drive transformation in the profession. These are: Cloud; Mobile; Social Media; and Big Data.

Professionals will begin to use Big Data analytics to gain a far greater understanding of clients' needs. With cloud, mobile and social media, you'll be connected with clients 24x7, allowing for real-time, anytime, anywhere collaboration and services. These capabilities are at the core of what your clients expect today. By leveraging cloud and mobile technologies, you can get closer to your clients and become a more relevant and valued partner in their success. Always connected; always there for them.

CCH has invested significantly in these technologies and offers solutions that you can put to use immediately. CCH's cloud solutions now fully available include ProSystem fx Document, Scan, Portal, Workstream, Practice, with Tax SaaS being used by early adopters of the solution. Additionally, CCH's Open Integration Platform leverages the cloud to offer the next level of integrated solutions, where firms can bring together the best applications from different sources to support workflows.

CCH also offers cloud-based mobile applications for quickly accessing research information, client information and the e-filing status of tax returns. Today, you can literally access your entire IntelliConnect research library through CCH Mobile on a tablet and smartphone. CCH now also offers Mobile Electronic Filing Status, available on the iPhone and Android phone and iPad, Android and Windows tablet. Mobile ELF enables you to check e-filing status on a mobile device wherever you are. CCH also offers ProSystem fx Mobile, which delivers in one place capabilities from three solutions – CCH's Common Database, Document and Portal. CCH will have this application released in the Apple and Android marketplaces for the upcoming tax season.

In 2013, and beyond, CCH will continue to invest and innovate to deliver new solutions in the important areas of cloud and mobile, as well as social media and big data, to ensure professionals have the solutions they need, as the world around us changes. For more information on the impact of technology on the profession, and what's ahead, please read the new CCH 2012 Technology Survey at [CCHGroup.com/TechnologySurvey](http://CCHGroup.com/TechnologySurvey).

### ABOUT CCH, a Wolters Kluwer business

CCH, a Wolters Kluwer business ([CCHGroup.com](http://CCHGroup.com)) is a leading global provider of tax, accounting and audit information, software and services. It has served professionals since 1913, and today offers the leading cloud, mobile and integrated workflow solutions that help professionals advance their business through increased efficiency and profitability, while strengthening client relationships and services. CCH's award-winning solutions are delivered in a

wide range of media, including cloud and mobile applications, to ensure professionals can serve their clients anywhere, anytime. Among CCH's market-leading solutions are the ProSystem fx® Suite, CCH® IntelliConnect®, CCH Mobile™, ProSystem fx® Mobile, Accounting Research Manager® and the U.S. Master Tax Guide®. For more information about CCH, please visit [CCHGroup.com](http://CCHGroup.com).



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# 2013 EXECUTIVE PREDICTIONS 2012 YEAR IN REVIEW



**JONATHAN A.  
BARON**

Thomson Reuters

Jon has more than 35 years of experience providing technology solutions for the accounting profession. Prior to joining Thomson Reuters in 1992, he spent 17 years with Wolters Kluwer, CCH. He was vice president of technology development at Thomson Reuters from 1992-1998 and was responsible for the design and development of the Creative Solutions suite of products. In July 1998, he was promoted to president and CEO of the Creative Solutions business. In 2004, he was promoted to the position of president of the Professional business unit of Tax & Accounting and today is Managing Director, Professional Segment for the Tax and Accounting business of Thomson Reuters which focuses on the accounting, bookkeeping, and tax software market in the U.S. and Canada. Jon holds a bachelor's degree in accounting from Siena College and an MBA from Boston University.

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## The World is Going Mobile. Are You?

Where does your data live? For many firms, 2012 was the year when data and applications went mobile. We've seen an unprecedented shift to the cloud, thanks largely to the mobile data networks and devices that are making cloud-based data accessible anywhere and everywhere. Paper is fading fast, with consumers printing 40% less of it than they did just a few years ago. It's a bottom-up, consumer-driven push, and it has the potential to create the greatest surge in productivity since the Internet went mainstream. It's that big.

But with the shift away from paper and the prevalence of mobile connectivity and instantaneous access, firms have a choice to make. Will they try to prop up their old processes with add-ons and patches? Or will they fully digitalize, investing in a more productive, more collaborative, and more profitable future?

In my view, it's no choice at all. Digitalization is a necessity for firms that want to stay relevant. Customers expect the businesses they work with to be digital. And on the firm side, mobile information and digital workflow are no longer add-ons to the process, they are the process. With that in mind, we've spent 2012 creating the tools that will help firms access and work with data seamlessly across an ever-increasing variety of devices, including:

**A new NetClient CS® mobile app.** Our new mobile app for

NetClient CS is the first of its kind, an extension of NetClient CS portals. It enables accounting firms and their clients to access their services and content on the go, but keeps the firm in control of which services are available. It's branded with the firm's name and logo, and it offers your clients access to tax returns, financial statements, and other documents, as well as online accounting and payroll services, payroll data, and more.

**New capabilities in Workpapers CS™.** Workpapers CS is a comprehensive, all-digital, cloud-based way to gather, organize, and manage workpapers and source documents for digital tax workflow and more. We've added a variety of new enhancements for this year, including a PDF annotation tool that allows users to import PDF images from mobile devices or other sources and add tickmarks, stamps, text, and more.

**Redesigned, next generation staff and client portals** with a clean, flat navigation structure. This provides staff of accounting firms that use CS Professional Suite® apps with easier, more intuitive online navigation and provides clients of the accounting firms that use NetClient CS client portals with the ability to access their documents more easily with fewer clicks. It also includes a built-in task center that enables the accounting firm to alert clients of important to-do items that pop up for the client in the portal.

## PREDICTIONS FOR 2013:

**The mobile web will become invisible.** Like all world-changing technologies, the mobile web will become so ingrained in our daily lives that we will cease to notice it. It will become an accepted and expected business tool. You will use it for more and more of the heavy lifting of your day-to-day workday. You will have access to your clients, your applications, and your data wherever you go, and so will everyone you do business with. Firms that do not adapt will be left behind.

**Creative destruction will further divide the profession into "haves" and "have-nots."** Creative destruction is the force generated when new innovation rushes in. It can be very disruptive to established business models. And business leaders need

to choose whether to expend energy and resources fighting it, or to use its energy to drive new innovations and seize opportunity.

**The term "paperless office" will become redundant.** Paper is already the exception rather than the rule. Paper and offices will have less and less to do with each other in the year ahead, and the term "paperless office" will become about as useful as "horseless carriage."

It's often said that technology creates winners and losers. But the great thing about working in the tax and accounting profession is that you get to choose which path to take. Will you carry the torch of the past until it burns out or embrace a brighter future? It's up to you.

## ABOUT THOMSON REUTERS

For more than 30 years, the Tax & Accounting business of Thomson Reuters has been a leading provider of technology and integrated information for tax and corporate professionals in accounting firms, corporations, law firms, and government.

The CS Professional Suite and Enterprise Suite™ from Thomson Reuters represent two of the most advanced, integrated suites available for accounting professionals. With leading products that include UltraTax CS®, Accounting CS™, Workpapers CS, NetClient CS, Practice CS®, and GoFileRoom®, these comprehensive suites

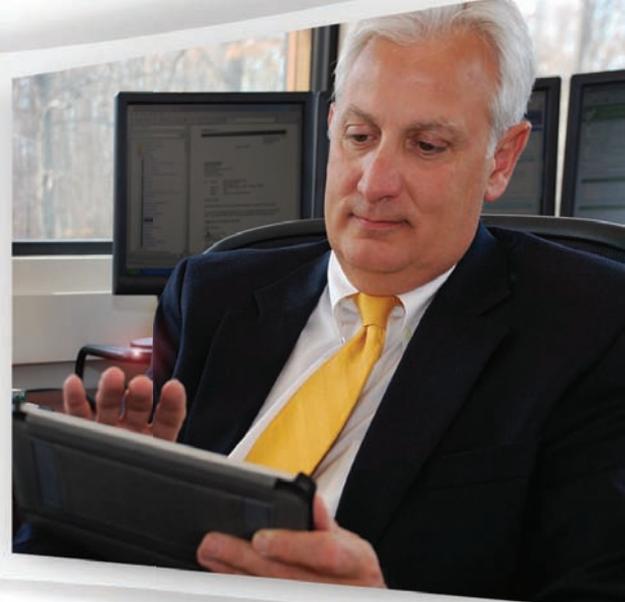
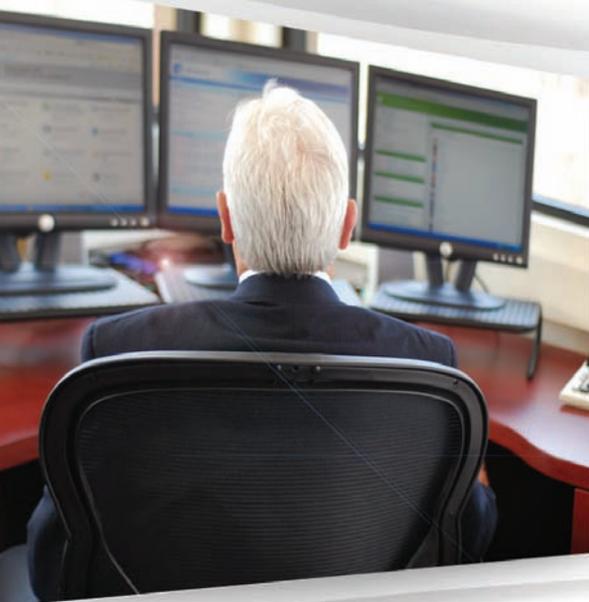
are designed to work together seamlessly, allowing every task to flow efficiently from start to finish and eliminating redundant work. Learn more at [CS.ThomsonReuters.com](http://CS.ThomsonReuters.com).

myPay Solutions, also from Thomson Reuters, offers payroll processing services designed with the accountant in mind. It's the ideal solution for accounting firms that want all the benefits of providing their clients with payroll services, without the liability or hassle of processing it. Learn more at [CS.ThomsonReuters.com/myPay](http://CS.ThomsonReuters.com/myPay).



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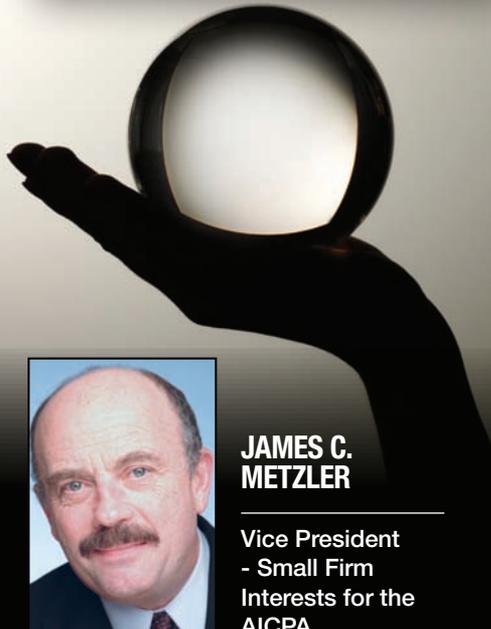
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# 2013 EXECUTIVE PREDICTIONS 2012 YEAR IN REVIEW



**JAMES C. METZLER**

Vice President  
- Small Firm  
Interests for the  
AICPA

James C. Metzler, CPA, is Vice President – Small Firm Interests for the AICPA. In that role, he leads AICPA initiatives aimed at serving the needs of practitioners, including the activities of the Private Companies Practice Section. He serves as an advocate for small firms on standard-setting, legislative matters, practice issues and as liaison between the AICPA and its member firms. He has frequently been named as one of the “The Top 100 Most Influential People in Accounting,” a national listing compiled annually by the editors of Accounting Today. In 2005 through 2011 those chosen for the list were asked to compile their own “most influential” list and Jim was one of ten luminaries in the profession selected for this distinction. Jim received the U.S. Small Business Administration’s New York District Office 2007 Financial Services Champion of the Year Award. He was cited for his significant contributions in helping small businesses obtain the accounting services they need to succeed.

Jim has spent more than 37 years working with small firms. Prior to joining the AICPA, he was a co-founder of ConvergenceCoaching, LLC, a national consulting firm dedicated to helping CPAs prosper by assisting them to develop and implement success plans.

Jim spent 32 years in public accounting, 24 of them as a partner with Gaines Metzler Kriner & Company, LLP, a local firm in Buffalo, New York. He was also founder GEMKO Information Group, Inc., a successful technology consulting organization. He is the author of *How to Build a Million Dollar Technology Consulting Practice* and of numerous articles on practice management issues. He is a frequent lecturer for the AICPA, State Societies and global CPA professional associations.

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## 2013: Succeeding in the New Normal

Looking forward to 2013, CPA firms find themselves at a crossroads. They have weathered the recession and even their clients in small business America are becoming more optimistic. But practitioners cannot expect to prosper in the future by following the same strategies they did before the recession. As we head into the new normal, strategic planning

is more critical than ever. For all firms, that will mean taking a hard look at their current approaches and deciding whether they will continue to serve them well in the future. When practitioners undertake their strategic planning for 2013, there are three questions they should be sure to address.

### HOW ARE WE DOING?

After holding their own since the economic crisis occurred, most CPA firms actually experienced some degree of revenue growth in the past year, according to the [2012 PCPS/TSCPA National MAP Survey](#). That’s good news for the profession, and other positive survey findings indicated that CPA firms are steadily gaining momentum.

The more sobering news is that, given the many uncertainties in the economy, we can’t expect to go back to business as it was before the recession and expect similar results. Our clients are facing new realities and CPA firms have already done as much cost cutting as can be expected. As a result, practitioners will have to be strategic and creative to drive future growth. That may mean reconsidering their client base if they are serving industries in decline and switching to areas, such as healthcare, that have more favorable long-term prospects. It may mean moving or branching out into new locations if their local economy is stagnant. An aging client base, particularly if it includes companies without realistic succession plans, is another red flag. Overall, practitioners should be channeling their energies into attracting clients with a promising future. Your first step in strategic planning should be to assess your current position and then begin to consider if a new direction is needed.

### What Internal Changes Should We Be Making?

The answer to this question will vary depending on a variety of factors. Succession planning should be on every firm’s list, however. It’s critical to have plans that set the stage for a future transition to new ownership, whether that involves a merger or acquisition or a takeover by existing firm members. Succession planning is a big concern for the profession, according to the [2012 PCPS Succession Survey](#), which found that 79% of multi-owner firms expect succession to be an important issue for them over the next decade. A large number of Baby Boom owners will be retiring during that time, which will mean competition for those who want to sell their firms, along with competition for talented younger leaders. On another front, the most recent AICPA PCPS [CPA Firm Top Issues Survey](#) found that partner accountability was a hot topic for larger firms. While partners might have once functioned in their own silos—and rested on their past laurels—we can expect to see more emphasis on bringing in new business and working together to promote the firm’s best interests.

### What New Opportunities Should We Pursue?

Changing times create many new opportunities for firms as clients turn to us for advice and direction. The AICPA has long been involved in initiatives to draw attention to the unique financial reporting needs of the millions of private businesses in the United States. The Financial Accounting Foundation this year created the new Private Company Council (PCC) to set differences in U.S. GAAP for privately-held companies. The Institute has also released its (FRF-SME), a self-contained framework intended for privately held small to medium-sized entities that are not required to have U.S. GAAP-based financial statements ([www.aicpa.org/FRF-SMEs](http://www.aicpa.org/FRF-SMEs)). This less costly and less complicated special purpose framework is generally intended for owner-managed, for-profit entities. The comment deadline for the [ED](#) is January 30 and issuance of the final document is expected early next year. There will not be an effective date because use of the framework is purely voluntary, but we believe that it will be widely adopted for use by small companies across the country. We’ve consulted with bankers and other financial statement users about their financial reporting needs, and they have told us they would welcome statements prepared using the principles that comprise the FRF-SME. Needless to say, the FRF-SME should open a wide range of opportunities for CPAs.

### Reinforcing Our Strengths

While so much is new in the world in which we do business, there is a great deal that remains the same. To pull themselves out of the recession, many of our clients have created leaner and smarter operations that position them to flourish in an uncertain climate. But they still turn first to their CPAs for the personalized and informed advice they need to run their businesses. Our clients are dealing with the same issues we are: growing regulatory complexity, economic uncertainty and succession concerns, as well as tight credit conditions and changing market conditions in many cases. CPAs are uniquely qualified to help small businesses address these issues.

In a changing world, the one certainty is that the strength of our client relationships is the key to our firm success. The firms that can integrate this unique client connection into their cultures will be well positioned to thrive in the new normal.



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## REVIEW SECTIONS

## BASIC SYSTEM FUNCTION

- Installation Ease
- General Navigation & Ease of Use
- Industry-Specific Templates
- Industry-Specific Features
- Platform Support

## CORE ACCOUNTING CAPABILITIES

- GL/AP/AR Functionality
- Sales Tax Functionality
- Payroll Functionality
- Audit Trail
- Multi-Currency
- Multiple Language Support
- Multi-Location Support
- Multiple Users

## DAY-TO-DAY OPERATIONS

- Sales/Point of Sale/Shipping
- Customer/Vendor Employee Management
- Inventory/Purchasing
- e-Features
- Remote Access

## MANAGEMENT FEATURES

- Dashboard Overviews
- Reporting
- Security Features
- Integration/Import/Export
- Data Transfer
- External Integration
- Online Accountant Transfer Tool

## HELP/SUPPORT

- Built-in Support Features
- System Updates
- Support Website/Documentation
- U.S.-Based Support

# Why Professionals Need to Have an Asset Strategy Meeting with Clients

By Isaac M. O'Bannon, Editor

There are few professionals who find fixed asset management to be an exciting area of their client service, but for some types of businesses, developing effective depreciation strategies can make a significant difference to their bottom line, as well as to cash flow on a month to month basis.

Virtually all tax professionals know the value that 1040 clients can realize from having an annual tax planning engagement, and business clients can usually achieve greater success by using the growth ideas that a professional may offer during a consulting engagement. The same general principles apply to asset depreciation services.

Primarily, the goals are to ensure that a business is achieving the most advantageous tax position overall, by selecting treatments and depreciation methods that are most appropriate. However, the benefits of strong asset management extend to more than just the balance sheet and the business' tax return.

Physical tracking of assets is also

important, and for organizations with many assets, effective management also helps ensure the existence and proper replacement of capital investments, and removing "ghost assets" from the books. Studies have shown that, for large organizations, as much as 20 percent of the assets they are paying local and state property taxes on, are actually no longer in service, have been disposed of without record, or have been lost. Depending on the value of those assets, correcting asset

that now provide automation of many functions and all calculations.

The programs in this review vary somewhat in their intended focus, with some intended for use by a single company and others designed for use by a firm managing many clients. However, they all offer streamlined options for managing asset depreciation, including incorporation of the latest tax laws, and all provide varying methods of asset location monitoring.

The key, of course, is to get your clients

## STAR RATING EXPLANATION

Each technology reviewed by *CPA Practice Advisor* is rated on core areas and also by subcategories unique to that type of system. For the products reviewed here, those areas are listed on the left side of this page. In addition to the overall ratings on the following review pages, you can view the detailed scores that each product received by viewing the reviews online at [www.CPAPracticeAdvisor.com/10823772](http://www.CPAPracticeAdvisor.com/10823772).

and insurance records can cause a significant reduction in property taxes and insurance premium costs.

Asset management systems have evolved greatly over the past decade, moving from antiquated spreadsheet lists that required extensive manual tweaking of the macros, to systems

to understand the value of effective asset management. The way to do that is not to start by talking about MACRS and ACRS, or straight-line versus accelerated depreciation, but by using the terms they need to know and care about: Their bottom line, potentially decreased tax liabilities and improved cash flow. ●

## BNA Fixed Assets DesktopPro

2012  
OVERALL  
RATING

5

## BEST FIT

Accounting professionals serving the asset management and depreciation needs of mid-sized and larger clients with potentially complex depreciation strategies. The system is also widely-used in-house by enterprises and government entities.

## STRENGTHS

- Global/group/departmental edit capabilities

- Intuitive interface with multiple wizards for asset life management/mass actions
- System can be used locally or networked on firm servers (an online version is also available)
- Can manage multiple entities with consolidations
- Good user customization options

## POTENTIAL LIMITATIONS

- No direct integration with tax

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/10824687](http://www.CPAPracticeAdvisor.com/10824687)

preparation system, although can export reports into common file types

## SUMMARY &amp; PRICING

Bloomberg BNA has long been a recognized expert in tax information and planning, and BNA Fixed Assets DesktopPro brings this knowledge to practice with comprehensive depreciation management capabilities that offer tracking of unlimited books per asset,

excellent customization capabilities, strong reporting and a user-friendly interface. The system is best suited for managing the asset bases of enterprises or entities with complex taxation and multi-departmental needs. Pricing for BNA Fixed Assets DesktopPro starts at \$2,970 (BNA Fixed Assets Web starts at \$1,450).

800-424-2938  
[www.bnasoftware.com](http://www.bnasoftware.com)

## Sage Software – Sage Fixed Assets 2013



### BEST FIT

Small practices seeking a fully web-based suite that includes time and billing functions, along with optional add-ons for write-up, client bookkeeping, payroll, document management and their firm's website.

### STRENGTHS

- Full integration with other programs in the AccountantsWorld suite

- Intuitive web interface and anywhere access with mobile app
- Client communications tools, calendaring and client portals

### POTENTIAL LIMITATIONS

- Invoice customization options are limited (greatly minimized in combination with Accounting Relief)
- No attaching of scanned receipts to expense entries (greatly

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/10823785](http://www.CPAPracticeAdvisor.com/10823785)

- minimized in combination with Accounting Relief)
- Minimal project management capabilities

### SUMMARY & PRICING

Practice Relief seems designed for smaller practices from one to about 10 users, but can handle more. Its time and expense tracking features are easy to use, and the web-based nature of the system makes it suited

to frequently mobile professionals. Its feature set is more comprehensive when combined with other programs in the Power Practice suite.

Firms can use the system for \$40 per month on a month to month basis, or for a discounted annual rate of \$395. Either method supports any number of firm users and clients.

**888-999-1366**  
[www.accountantsworld.com](http://www.accountantsworld.com)

## Intuit ProSeries Fixed Asset Manager



### BEST FIT

Professional firms serving the tax and accounting needs of clients with asset bases that are growing more complex in terms of size and strategic depreciation planning. As it offers direct integration, it is most beneficial to firms using ProSeries.

### STRENGTHS

- Direct integration with ProSeries

- Easy-to-use interface and navigation, with ample help functions
- Supports departments, locations, cost centers and other sub-entities
- Reporting output to Word, Excel and PDF
- Unlimited years of asset projections

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/10824702](http://www.CPAPracticeAdvisor.com/10824702)

### POTENTIAL LIMITATIONS

- No RFID or barcode scanning integration for inventories
- Limited consolidation/mass asset action functions

### SUMMARY & PRICING

With direct integration with its namesake tax program, ProSeries Fixed Assets Manager is a best fit for those already using that preparation system, but it also can be used

as a stand-alone depreciation management program, providing good tax-focused multi-client asset management features for smaller and mid-sized entities. Fixed Asset Manager costs \$229 for a license that supports the same number of users as the tax package.

**800-934-1040**  
[proseries.intuit.com/products/fam](http://proseries.intuit.com/products/fam)

## Red Moon Solutions LLC – Fixed Assets Manager



### BEST FIT

Fixed Assets Manager is designed primarily for use by companies and organizations with extensive or complex asset management and depreciation strategies, such as those with large asset bases, multiple locations and departments. It can also be used by accounting firms providing services to such clients.

### STRENGTHS

- Available as installed or an online hosted program
- Strong reporting capabilities

- Able to integrate directly with ERP systems and with Vertex for corporate tax
- Ability to easily integrate with other compliance solutions such as CORPTAX and Thomson OneSource
- Many customization options
- Comprehensive depreciation calculations
- Entity consolidation functions

### POTENTIAL LIMITATIONS

- Moderate in-system help features

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/10823784](http://www.CPAPracticeAdvisor.com/10823784)

### SUMMARY & PRICING

Fixed Assets Manager is a comprehensive depreciation and asset management solution that offers the most extensive calculation and forecasting capabilities on the market. It includes extensive tools for asset disposals and transfers, Sec. 179 expensing and bonus depreciation, and allows unlimited books per asset. It is primarily designed for mid-sized and large enterprises, including Fortune 500 caliber organizations that have

extremely large and complex asset bases distributed across multiple subsidiary units, locations and departments. Pricing is based upon the size of the asset base and the number of users. A mid-range network solution that accommodates two users and up to 30,000 assets costs \$4,500 for the first-year fee. Pricing for small businesses starts at \$1,000 for the first year fee.

**800-224-1260**  
[www.redmoonsolutions.com](http://www.redmoonsolutions.com)

## MoneySoft – Fixed Asset Pro v13



### BEST FIT

Fixed Asset Pro is best suited to small and medium organizations with asset bases of any size or complexity. With multi-entity capabilities, it can also be used by firms managing the depreciation strategies for multiple clients.

### STRENGTHS

- Comprehensive data import and export capabilities

- Extensive and totally customizable reporting options
- Ability to manage any number of entities and assets
- Mass edit function for changes across multiple assets

### POTENTIAL LIMITATIONS

- No RFID or barcode scanning for physical audits
- Limited consolidation functions
- No multi-part assets

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/10823782](http://www.CPAPracticeAdvisor.com/10823782)

- Mass acquisition/disposal only by import

### SUMMARY & PRICING

Fixed Asset Pro provides strong import and export options that allow it to be used alongside most other financial systems. It also offers exceptional reporting with total customization. The system can support any number of companies and assets, and provides compre-

hensive tools for management of depreciation and Sec. 179 expenses. The program costs \$599 for a single user, or \$699 for the multi-user site license, with annual renewals priced at \$189 and \$269, respectively. Seasonal discounts are also available.

**800-966-7797**  
[www.moneysoft.com](http://www.moneysoft.com)

# FIXED ASSET REVIEW

## CCH ProSystem fx Fixed Assets

2012  
OVERALL  
RATING

4.75

**BEST FIT**

Full-service accounting firms serving clients with large or complex databases that may be assigned or located in multiple divisions, geographic locations.

**STRENGTHS**

- Handles any number of clients/assets
- Offers all depreciation methods

and treatments, and customizable

- Guides and wizards for mass asset life events such as acquisitions and disposals
- Splitting, unsplitting, like-kind exchanges
- Import and reporting to/from Word and Excel
- Integration with ProSystem fx Tax, Engagement and Global fx

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/10823779](http://www.CPAPracticeAdvisor.com/10823779)

**POTENTIAL LIMITATIONS**

- Maximum book projections of seven tax years
- No RFID or barcode scanning integration

**SUMMARY & PRICING**

ProSystem fx Fixed Assets is designed for accounting and tax firms with multiple clients, providing extensive depreciation and

management functions for asset bases of any size, including multiple locations. The system can be used either independently or as a part of the ProSystem fx Suite. Pricing starts at \$2,225 for a single-user standalone or network license.

800-PFX-9998  
[www.tax.cchgroup.com](http://www.tax.cchgroup.com)

## Thomson Reuters – Fixed Assets CS

2012  
OVERALL  
RATING

4.75

**BEST FIT**

Full-service accounting firms providing depreciation management and tax services to multiple clients with moderate to complex asset bases. Most beneficial when used as integrated part of the CS Professional Suite.

**STRENGTHS**

- Easy to use with wizards for setup and many tasks

- Ability to make mass edits across asset groups or global
- Direct integration with tax and trial balance
- All asset events, including mass acquisitions and disposals, splits
- Strong reporting and user customization options

**POTENTIAL LIMITATIONS**

- Limited to 32,000 assets per entity (should be more than sufficient for most clients)

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/10823786](http://www.CPAPracticeAdvisor.com/10823786)

**SUMMARY & PRICING**

Fixed Assets CS makes managing the asset bases of multiple clients much simpler, providing a streamlined and user-friendly interface, along with extensive automated depreciation functions and reporting options, with up to ten books per client. It is strong as a stand-alone program, but much more powerful when used in conjunction with other parts of the CS

Professional Suite, particularly UltraTax CS. Pricing starts at about \$1,500 with renewals at about \$300.

800-968-8900  
[CS.ThomsonReuters.com](http://CS.ThomsonReuters.com)

## Fixed Asset Manager for TaxWise & ATX

2012  
OVERALL  
RATING

4.25

**BEST FIT**

Professional tax and accounting firms using, managing the asset depreciation strategies of multiple clients. The system also offers direct integration with TaxWise and ATX.

**STRENGTHS**

- Easy to use and get started
- Includes all common depreciation methods

- Reporting can be saved to Word, Excel, PDF and Crystal Reports
- Direct integration with TaxWise and ATX for tax preparation

**POTENTIAL LIMITATIONS**

- Offers only two years of book projections (current and next year)
- No RFID or barcode scanning integration

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/10824709](http://www.CPAPracticeAdvisor.com/10824709)

- Limited consolidation/mass asset action disposal functions

**SUMMARY & PRICING**

Fixed Asset Manager is best as an add-on to ATX or TaxWise compliance systems, but also offers a streamlined and easy-to-use asset management functions as a stand-alone system. With limited mass asset functions, it is best for man-

aging smaller asset bases. The program costs \$449 when purchased individually, but is also available in some of the ATX and TaxWise bundles.

800-681-1750  
[www.taxwise.com](http://www.taxwise.com)

800-681-1752  
[www.atxinc.com](http://www.atxinc.com)

## MobileAsset Professional Offers Solution for Businesses with Location Tracking Needs

While most of the programs in this review section are primarily focused on managing depreciation strategies for fixed assets, the MobileAsset Professional program from Wasp Barcode is designed to give businesses an efficient way to track the location and responsible parties for assets and inventory items, while also offering depreciation capabilities.

MobileAsset has a well-designed and easy-to-use interface with an icon menu for moving quickly to key system areas,

including asset management, administration, reporting, forms, label printing functions and access to the program's mobile tools. Submenus appear when within these key areas, with specific tasks such as checking in and out assets, disposal functions and other options available with just one or two clicks.

An integral part of the system is its built-in barcode scanning functions, which can speed location tracking and physical audits and inventory verification. Wasp offers several hardware

options for barcode scanning, inventory management, point-of-sale and time and attendance.

The program uses a spreadsheet view for asset selection lists, with summary information that includes descriptions, types, location, date acquired and asset tag ID, while another icon menu offers options for creating new assets, duplicating, maintenance information and assigning items to groups. Images or documents can be attached to asset files.

Users can also create automated alerts

to be reminded by email and in-program prompts about specific actions, such as overdue asset returns and maintenance needs.

Wasp Barcode Technologies –  
MobileAsset Professional Version  
214-547-4100  
[www.waspbarcode.com](http://www.waspbarcode.com)

Continued online at  
[www.CPAPracticeAdvisor.com/10823787](http://www.CPAPracticeAdvisor.com/10823787)

# Building Value by Thinking Strategically

**Firms tend to build their strategic plans around the times of their annual meetings. For some of you, that is now, and for others of you this planning process falls at different times of year. However, many of your clients do their strategic planning between October and December in preparation for the coming year.**

The closest most of us get to helping clients plan strategically is to minimize tax impacts by doing some tax planning in late October, November and early December. Helping clients save money is good, although somewhat tactical. Wouldn't it be good to help clients, and your firm, make money by thinking strategically?

## The Simple Formula

As you have seen repeatedly in this column, you need to have a business strategy and business tactics before you have an Information Technology strategy and tactics. The idea is you have to have a well-conceived busi-

ness strategy to align the IT strategy with the business strategy. While reviewing some recent firm survey data, I was appalled that 81 percent of firms have no formal written IT strategy.

In fact, only 12 percent of firms have a formal written IT strategy. The statistics are similar for business plans. A philosophy learned from expert and now great friend, Dr. Bob Spencer says: "If it's not in writing, it doesn't exist!" This is true for business plans, IT plans and business continuity plans. Do you have your strategy, tactics and budget in writing?

Another statistic that comes from repeated survey data that is very counterintuitive is that when more is spent in IT, the money taken home by partners is greater. If IT spending is between 5-12 percent of top line revenue, the amount taken home will be the highest.

If you try to save your way to more money taken home by spending 0-5 percent of top line revenue, you've guaranteed that you'll take home less money. This is not to say that you can afford to squander a single dollar spent on IT, but to remind you that you have to spend money to make money. Your clients need the same knowledge.

There are lots of approaches to business planning that work. A favored simple approach is "The One

Page Business Plan," by Jim Horan ([www.onepagebusinessplan.com](http://www.onepagebusinessplan.com)). There are many other methods that are quite good where goals are laid out with individual steps and responsibilities assigned.

You need to have a method that you consistently use for your firm and with your clients. Further, you need accountability for when things go right and wrong that is more than simply a compensation discussion.

Now, the technology can kick in. Other columns in this issue, including ones written here in the past, talk about all the new things to expect in the coming year. A simple list of major changes include: Windows 8, Office 2013, Windows Server 2012, SQL Server 2012, Exchange 2013,

UltraBooks that include Thunderbolt hardware for increased speed, broader use of SSDs, increased RAM to 8GB, more use of cloud applications, and a

preponderance of bolt-on applications that extend capabilities of existing products.

You'll see new generation accounting software, software improvements for tax notices and appeals with products like Beyond415 and Value-Appeal, and new releases of software from the major publishers like CCH, Thomson and Intuit that improve integration. But with all of these technologies **HOW** do they fit your client's needs and your firm's strategies? That is the question.

## The Opportunity

If you can conceive services needed



by your clients that are not traditional compliance services, you will have opportunities to assist the clients year-round. The clients will trust you more, call on you more for advice and in the process be willing to share more of their newly found abundance with you.

You will have to be prepared to be innovative, flexible and thoughtful while blending in a mix of reasonableness to your

recommendations. It will be helpful if you can bring a few tools to the table whether those technologies are business planning tools, budgeting tools, financial reporting tools or specialty applications to solve specific problems. You may even have to help them navigate new Microsoft technologies or strategic decisions about the cloud and mobility. You'll have to leave your comfort zone to help your clients.

## The Action

Consider your firm's business planning approach. Can you improve this and convince other partners that the change is good for your firm and your clients? Can you select the appropriate tools for your firm and be prepared to use them with clients in the future?

Build your plan for the future looking at both your firm and your clients. Include a strong dose of vision and technology and make a difference in your local market. Improve your firm and consider how you can help your clients more. If you proactively help with new services, you'll see the difference you have made in your clients before many others around you. You'll be glad you acted to make the difference. ●



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](mailto:randy.johnston@cpapracticeadvisor.com).

## Practicing the “Three Os”

By Kristy Short, Ed.D

**A**n *all-Online* attitude, extreme Organization, and an Outsourced accounting service model create the perfect mix for success.

Standardization has a new poster child—and her name is Laura Redmond, owner of Redmond Accounting. For those that pride themselves on being ultra organized...you may have met your match.

Laura Redmond launched her firm in 2005. And like most in the profession, her core driver was pride in owning her own business. She also admitted to reasons a bit more A-type.

“I wanted to work my own way... not simply follow along with the way things have always been done. I knew I could run a highly efficient firm. And, to be honest, I wanted to do it my way.”

And do it “her way” she did.

With a background in IT, Redmond knew her way around technology. Her vision was clear: *To develop a highly efficient and standardized internal structure.* With this goal in mind, she researched multiple Cloud applications and selected the best of the best.

“Today, we are totally in the Cloud and 100 percent paperless,” Red-

mond explained. “I made sure to adopt applications that integrated with one another to maximize productivity. Every solution we use is also feature-rich and flexible.”

Redmond Accounting didn’t start out in high-efficiency mode, however. This came after a few years of trial and error and working hard to solidify the vision for her firm. “It takes time to really see what needs to be done to improve operations.”

In the early years, Redmond regularly visited her clients’ offices and worked within whatever accounting system the client had in place. She quickly realized that this process would have to change.

“By accepting to work in the client’s chosen solution, I was hindering my firm’s ability to move to an online accounting service model, which was the direction I needed to go.”

After a great deal of research and testing, Redmond identified several SaaS solutions, including QuickBooks Online, Intuit Online Payroll, Bill.com, Method Integration, and Expensify. “All of our applications work together smoothly and sync with QuickBooks Online...and Method offers exceptional customization options.”

After identifying the right technologies and building a full-on Cloud infrastructure, Redmond explained that it was much easier to standardize processes firm wide.



The staff of Redmond Accounting: John Redmond (left), Theresa Bailly, Margaret Fisher and Laura Redmond.

“Technology can only do so much. You have to also put uniform processes in place; otherwise, everyone is performing work differently. That’s just not efficient.”

This is where Redmond’s heightened sense of organization came in handy. “My firm’s processes are exact, and we make sure to document everything. Our procedural guides act as a ready reference for current staff and training support for new employees.”

Even better, all guides are accessed online. Built in navigation menus allow staff to locate reference information quickly, instead of flipping pages to the right chapter.

“Using Google Sites, we can embed links directly to the particular documentation for any given task... right on the [workflow management] screen that assigns project tasks to staff.”

Redmond shared that the firm has developed 25 detailed process guides to date that outline workflow, management, and client procedures. She also made sure to remark, “That’s 25 and counting!”

Her drive to build a highly efficient and sustainable firm was also

inspired early on by reading *The E-Myth Accountant – Why Most Accounting Practices Don’t Work and What to Do About It*. “I loved this book! I dog-eared several pages and underlined a lot of the content because there were so many great tips and relevant action items. It truly inspired me to do things the right way,” Redmond stated.

Laura Redmond’s practice is best described as a full-service firm offering outsourced accounting to service-based businesses. Operating on an online platform, she can serve all clients conveniently while providing real-time support.

“We become our clients’ external accounting department, handling all aspects of accounting for them. With everything in the Cloud, we can offer full support from the comfort of our offices,” Redmond stated.

### What’s Good for the Goose...

After a few years of supporting clients on multiple accounting systems, Redmond realized that things could be done much more efficiently.

“We would go to the client’s office and work within whatever

## STATS AT A GLANCE

Firm website: [www.redmondaccounting.com](http://www.redmondaccounting.com)

Year founded: 2005

Total employees: 3 F/T, 2 P/T

Home base: Menlo Park, CA; second location in Cleveland, Ohio

Firm description: Full-service outsourced accounting firm with a focus on service businesses

Technology of Choice: QuickBooks Online, Bill.com, Method Integration, Intuit Online Payroll, Google Apps, Expensify



**Margaret Fisher (foreground) and Laura Redmond.**

accounting system they had in place. That meant we had to master a variety of solutions.”

Realizing the efficiency gains within her own office, Redmond knew she needed to apply the same model to her clients. It made sense to create a client solution set using the same applications she and her staff had mastered.

“We offer a defined technology solution for our clients, which includes QuickBooks Online, Intuit Online Payroll, Bill.com, Method Integration, and Expensify. Based on need, clients can adopt the full set or select individual solutions. Because we use all of these applications in the firm, we can easily support clients with implementation. We also know clients will be highly productive because the system is streamlined.”

By taking control of the solutions clients use, it also put the firm in complete control of accounting work. With 24/7 online availability, Redmond and her staff can access a client’s data to correct errors at any time and control the flow of work.

“If the accounting firm isn’t in control of their clients’ accounting... that spells trouble,” stated Redmond.

Redmond also knew that it was important for her and her staff to

become solution experts. “Once everyone is up and running on a standardized system, it’s easy to adopt uniform processes. It’s also easy to help clients with issues because they are using the same applications.”

A defined process also put the firm in control of pricing. When operations are streamlined, efficiency goes through the roof. And when that happens, it’s easier to create a pricing model that is based on the value of the service, not the billable hours.

“We implemented a value pricing model last year. Built into our fee is the cost of licensing the software, so clients are insulated from the added cost,” Redmond explained. “Not having to explain extra fees always makes it easier to sell.”

### No Resting on Laurels

Redmond is proud of the progress she has made since launching her firm in 2005, but she’s not resting on her laurels. “I’m constantly evaluating my firm and looking for ways to improve operations and our services.”

To date, Laura Redmond has been able to eliminate onsite client visits by transitioning to a Cloud platform. This enables her and her staff to provide exceptionally convenient service to clients across the board. She also developed a standard solution set for clients, which means everyone is working the same way. And finally, a value pricing model simplifies client fees.

An all-online (all-the-time) attitude, organized procedures, and an outsourced accounting model enable Redmond Accounting to operate at “well-oiled-machine” status. By applying the three O’s, Redmond Accounting joins the ranks of our Great Practices. ●



## OUR STORY

A business’ financial transactions must be recorded in an organized and timely manner, its cash managed, receivables tracked and collected, employees paid, assets monitored and vendors managed. Creating systems to manage these vital tasks are our specialty.

Redmond Accounting offers a combination of accounting and software expertise, along with the personal understanding that comes with being part of the business community ourselves. Our paperless, cloud-based solutions fit today’s executives conducting business on the go.

In addition to providing comprehensive cloud-based accounting processes, we provide tools for delivering business intelligence. We make it simple to provide your tax and estate planning professionals with the information they require. Redmond Accounting adheres to a strict code of professional ethics and risk aversion practices to provide its small business clients with internal controls and high quality results.

**If you’d like us to consider sharing your firm’s story of innovation in a future issue, go to [www.CPAPracticeAdvisor.com/great-practices](http://www.CPAPracticeAdvisor.com/great-practices) and complete the short form. We’d love to hear from you.**



*Kristy Short, Ed.D, is partner and Chief Marketing Officer in RootWorks LLC ([RootWorks.com](http://RootWorks.com)) and president of rwc360, LLC ([rwc360.com](http://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](mailto:kristy.short@cpapracticeadvisor.com).*

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# A Holistic Approach to Tax Practice Management

## How Brian Shaltakoff Grew His Practice to More Than 500 Clients

Every business owner knows that flexibility is a requirement for success. Being able to adapt to changing customer needs, vendor issues and work schedules is a part of the job requirement, whether the business is a shoe store, a restaurant or an accounting firm.

Brian Shaltakoff has taken this flexibility to what some might see as an extreme, but it's led to a remarkably successful practice.

([www.brianshaltakoffcpa.com](http://www.brianshaltakoffcpa.com)), is a full-service accounting firm with more than 550 clients in the U.S. and internationally, but with minimal full-time staff. How can a sole practitioner manage that many clients alone? That's where his extensive flexibility, engagement management strengths and effective use of technology emerge.

The majority of his engagements are still tax-focused, but the firm has expanded to also

ance, as it is about producing a fairly-priced return."

Using some of the latest technologies, including a completely web-based tax compliance, engagement and document management suite, Brian is also able to share files securely with clients through the system, and it allows him to access it from anywhere, which has allowed him to retain a New York City office, also working from home in Boulder, Colorado.

Just as new technologies have given him the ability to work where and when he wants, Brian extends that flexibility to his clients, most of whom send their documents to him electronically. In fact, he has not met many of his clients in person.

"A couple of them call me Charlie, as in the boss from Charlie's Angels, because I'm a voice on the phone that they never see." Client service still remains his top priority.

"I have clients across the country and overseas, so I try to be available when it's convenient for them," he said. He says that sometimes he takes client calls at midnight or later, although most client interaction is during the day, while late evening is when he focuses on reviewing and processing returns.

The majority of his clients are in the Northeast, including some friends and former colleagues who've been a little envious of the freedom that the change in careers has given him. However, he admits that during the height of tax season it's not unusual for him to work as late as 2:00 am.

That said, his use of advanced professional technologies is what has enabled him to build a virtual practice, which allows him to spend as much time with his family as he wants, including meals and attending his

children's school and sports events.

Brian's firm scored a 193 on CPA Practice Advisor's Productivity Survey ([www.CPAPracticeAdvisor.com/productivity](http://www.CPAPracticeAdvisor.com/productivity)), a free online tool that helps professional tax and accounting firms measure how effective their workflow practices and technologies are, and benchmark them to similar practices.

His interest in accounting and finance started in high school, where he enjoyed classes in math and



**Brian Shaltakoff, CPA, MBA - Managing Member**

**Firm Name: Brian Shaltakoff CPA, PLLC**

**LOCATION:** New York City and Boulder, Colorado

**WEBSITE:** [www.brianshaltakoffcpa.com](http://www.brianshaltakoffcpa.com)

**PRACTICE SPECIALTIES:** Tax compliance and planning for small businesses & busy professionals

**EDUCATION:** BAs in Accounting and Finance, Univ. of Connecticut; MBA, NYU Stern College of Business.

**FAVORITE VACATION SPOT:** Tofino, British Columbia, Canada

**SOCIAL MEDIA:** [twitter.com/BShaltakoffCPA](https://twitter.com/BShaltakoffCPA)

[facebook.com/pages/Brian-Shaltakoff-CPA-PLLC/177600878934046](https://facebook.com/pages/Brian-Shaltakoff-CPA-PLLC/177600878934046)

[linkedin.com/in/brianshaltakoffcpa](https://linkedin.com/in/brianshaltakoffcpa)



The CPA initially started his career working at Big 4 firms Arthur Andersen and KPMG Peat Marwick, then at J.P. Morgan and other financial services firms. In 1996 he started doing a few tax returns, mostly for other professionals working in the financial services sector. By 2007, this entrepreneurial activity had grown to more than 300 clients, and he saw the opportunity to open his own practice.

"When I reached about 300 returns, I realized I had to strongly consider whether to work solely for myself," Brian said. "The advantages and benefits finally outweighed the security of being an employee."

He noted that he also couldn't continue to serve that many clients, especially given the comprehensive approach to clients which he demands of his firm, while also having another job. "I've always emphasized customer service and only took on clients when I had the time and resources to give them the best service and attention they needed. So I place an emphasis on having the processes in place before adding more than I can handle."

Today, the practice, Brian Shaltakoff CPA PLLC

include estate planning, elder care finance issues, litigation support, payroll, business consulting, CFO services and succession planning.

During busy season, he ramps up with three to four temporary staff members, including another professional for review processes, and an administrator. Also, since his practice has been mostly digital in nature since he started it, client interaction is mostly by email or phone.

He still plans to grow his practice, with an effort at increasing profitability per client. "I'm earning less per client than I think I should be, and I think it's because they are younger on average than the clientele most accounting and tax firms have. The disadvantage to this is that they are much more engaged with technology and often have a DIY perspective on their finances. So the key is reinforcing the value message of a CPA's services which are as much about confidence and risk avoid-

**SO I PLACE AN EMPHASIS ON HAVING THE PROCESSES IN PLACE BEFORE ADDING MORE THAN I CAN HANDLE.**



Brian and one of his sons riding horses in Colorado.

accounting. He then received dual undergraduate degrees in accounting and finance, and an MBA in Business Administration from New York University's Stern School of Business.

An active outdoorsman, Brian tries to get on the ski slopes as much as he can before the tax season starts, and also enjoys hiking and camping. He also works out with weights and an elliptical machine every day, including during tax season.

To unwind at the end of tax season, he "gets back to serenity" by taking some alone time in the mountains or traveling. Last year, he went to Port Hardy, a rugged area on the northern tip of Vancouver Island, British Columbia, which is known for its wilderness adventures, kayaking, caving, diving and fishing.

Brian's wife Caren occasionally helps with the practice and is an entrepreneur in her own right, with an organizational consulting business called Clutter Be Gone ([www.ClutterBeGone.net](http://www.ClutterBeGone.net)). "She's consulted other entities for years on business efficiency issues, including time and virtual office conversion/ongoing procedure. Why not for me?" And yes, she also takes some personal vacation time to unwind a couple of times a year.

The Shaltakoffs and their sons like attending football games, and also spend time together exploring the mountains. Brian still has New York in his blood, though, and is a diehard Yankees fan. ●

## 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.

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# Going to the Cloud: How Web-Based Payroll Helped a Medical Practice Run More Efficiently

Heidi Blodgett didn't get a nursing degree so that she could run the business and process payroll for a medical practice, but that's where her life, career and family took her. Since she and her dermatologist husband Tom opened Blodgett Dermatology in Gallipolis, Ohio, more and more of Heidi's time has been spent doing business administrative work, particularly bookkeeping and payroll.

The couple initially opened the medical practice in 2005 in Chillicothe, Ohio, then moved to Gallipolis in 2007. They are the only dermatology specialists within about 60 miles, so there is a strong need for their services. Heidi noted that the southern Ohio region has a lot of elderly residents, many of them former farmers or laborers who had long-term overexposure to the sun during their lives.

As such, the medical staff at Blodgett Dermatology treats many skin cancers, as well as other issues ranging from eczema and acne, to psoriasis. Prior to opening the medical office, her husband had worked at a large, multi-specialty practice.

For the first several years, Heidi processed payroll once per month for their staff of eight, including her husband and herself, a nurse and other mid-level practitioners. One of the staff recently received certification as a nurse practitioner, which Heidi says has eased much of the burden on her husband and allowed them to grow the practice by accepting more patients.

"Doing the payroll once a month was more manageable and it worked for me and my husband, but many of the other staff wanted to be paid more frequently," Heidi said. "I really didn't want to have to do it every two weeks, plus I'm not in the office all the time, so I needed something convenient." She also didn't look forward to having to process the quarterly reporting and payroll taxes.

So she turned to her accountant, Shayna Chapman, for advice. Although she doesn't offer payroll services, as the managing member of Chapman & Burris CPAs ([www.chapmanburris.com](http://www.chapmanburris.com)), she has helped many area businesses overcome similar challenges. She said she looked at the issues Heidi was facing as part of a larger one – freeing up Heidi's time and reducing stress by helping her find a solution to

payroll that would be as easy and hands-free as possible.

"Payroll can be a complex issue for small businesses, especially with all of the new tax laws and reporting for employees in more than one state," Shayna said. One of the staff members lives across the Ohio River in West Virginia. "Heidi is a dermatological nurse, not a bookkeeper or a payroll expert, so we had to find a way to simplify the payroll process for her, while also making sure that all of the compliance factors are handled correctly and on time."

They ultimately chose a payroll system that automates almost everything. All Heidi needs to do is enter employee time data into a website interface, and then the payroll checks are processed by the payroll company they chose. They even handle all payroll tax, third party and benefits

payments, then provide Heidi with reports so that she can see the overall details of payroll runs.

Also, since it is a web-based, cloud solution, Heidi can enter data, verify and authorize payroll runs from wherever she may be. Since the couple is active with several community groups and also travels frequently, this anywhere/anytime

access turned out to be a major benefit. She's also trained one of her staff members to do basic entry functions, allowing Heidi more freedom to be away from the practice, or to help with patients.

The web-based system also offers benefits to Shayna, the CPA. "I can log into the program to check on things if I need to, and we've authorized the payroll company and me to discuss her payroll functions. As her accountant, the biggest benefit is that



Heidi Blodgett, standing, with receptionist Kathy Cremeens.

a professional service is managing the back-end compliance work. So, I know it's being done correctly, and I can count on the books being right."

Previously, Shayna would handle the compliance functions, but she said she prefers that the payroll company is handling those issues, since it frees up some time for her to help the dermatology practice in other ways.

"Looking at it from a cost-benefit perspective, there isn't much difference, but there is much less stress, so it was definitely worthwhile," Shayna said.

"It's great to be able to help local businesses succeed, especially when they are like the Blodgetts," Shayna said. "They've come into a small town and are amazing employers, creating good-paying jobs with benefits, and they treat their staff like members of their family."

Shayna said the couple is also active in the community and church, have two children of their own, and are also swim coaches for the local USA Swimming league. Using the cloud-based payroll system has allowed them both to better spend work time on

**"IT WOULD BE GREAT TO GET ALL OF THEIR ACCOUNTING TO THE CLOUD, MAKING IT EASIER FOR BOTH HEIDI AND HER HUSBAND TO ACCESS KEY INFORMATION WHENEVER THEY NEED IT."**



Heidi Blodgett, seated, with CPA Shayna Chapman.

patients, and to more fully enjoy their outside activities.

This has them also looking at changing to a cloud-based solution for their bookkeeping, and Heidi notes that since their profession has been moving toward digitization, going to the cloud would make sense. With some of her time freed up by no longer doing after-the-fact payroll reporting for the Blodgetts, Shayna has been giving Heidi advice about the benefits it would bring.

"I've told her that as her kids are growing up and she has more time, it would be great to get all of their accounting to the cloud, making it easier for both her and her husband to access key information whenever they need it, and whether they're at the office, at home or even while they're vacationing in Mexico," Shayna said.

A web-based accounting system would also allow Shayna to have more access to their financial information when she's doing reconciliations, their business and personal taxes and other services. It would also allow direct integration with their accounts at Ohio Valley Bank.

"Heidi is a friend and we enjoy spending time together, but having instant access to their data would save me from having to run across town to get a report or other information from her."

After seeing the benefits that web-based payroll gave her, Heidi agrees. "I'm all for going to the cloud. Everything in the medical field is heading toward electronic medical records and we're constantly bombarded with information about doing that." She noted, however, that there are still some challenges, particularly with reliable high speed internet in the area. ●

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# In Firm: 2013 IT Predictions

**W**ayne Gretzky's famous quote on achieving greatness was in "knowing where the puck is going to be," which allowed him to move in that direction before anyone else. CPA firms are no different and by knowing where the "Accounting IT Puck" could be going in the future, firm owners can more effectively evaluate options and move in directions that make our firms better. In that light of "greatness" we present our 2013 predictions for accounting firms so that owners get a vision of where they should be moving their firms.

## 2013 InFirm IT Trends Impacting Accounting Firms:

- **Hybrid Cloud Becomes Commonplace:** A hybrid cloud is where firms use the optimal combination of



Roman H. Kepczyk, CPA.CITP is Director of Consulting for Xcentric and works exclusively with accounting firms as an independent, outsourced Chief Information Officer (CIO) optimizing the firm's tax, audit, client services and administrative workflows, utilizing the Firm Process Optimization (FPO) Review process which Roman has partnered successfully on with over 275 firms.

external cloud resources (such as in our #2 prediction from last year) and private/hosted cloud applications that they manage themselves, meaning that the majority of firm employees will be working via Cloud applications or Private Cloud Access in 2013.

- **"Actionable Analytics" is New Buzzword:** We will see firms adopt dashboard tools that provide real-time, predictive information instead of traditional backward looking financial results and they will begin to apply these tools to clients, in addition to helping their own firms. Within five years, these analytics will be streamed in real-time to the accountant's smartphone or tablet so they can take proactive action; and interactive devices like the Pebble Watch will be everywhere.
- **Unified Communications Expands:** While all firms utilize email/phone for core client communications, the number of firms that integrate voice-mail, digital faxes, instant messaging and even video calling into a single unified communications conduit such as Microsoft Lync, will increase significantly to make communication and collaboration easier than ever regardless of what method of communication is preferred. Accountants will see even more functionality out-

side of work as the personal clouds promote and "consumer-ize" these tools.

- **BYOD Prevails:** "Bring Your Own Device" will be not only accepted, but dominant in firms as staff replace the device their firm gave them with a smartphone or tablet they really want to use for both work and personal needs, instead of carrying two units. While IT will initially struggle with the transition, the owners will be appeased by the cost savings from reduced equipment maintenance and capital investments.
- **Digital Delivery Surpasses Manual Delivery:** Medium and large firms that deal with more sophisticated clients will see the scales tip this year to where the majority of client tax returns and client financial reports are delivered electronically via portals and encrypted email, rather than traditional manual means as well as the number for firms sending digital tax organizers increasing.
- **Security Emphasis on Privacy not Passwords:** With passwords becoming increasingly easier to crack and IT counter measures to change them more frequently with more complex passwords meeting increased resistance, the emphasis of security access will transition to other secure connectivity options and partners will have IT focus on limiting access to files effectively and solutions for searching and accessing files will change significantly, forcing firms to look at alternate and workflow tools to manage files.
- **Fourth SaaS Player Gets Notice:** The gap between the Big Three (CCH, Thomson Reuters, Intuit) and a distant fourth vendor will narrow noticeably as a Cloud-based SaaS Accounting provider swells up from the bottom providing smaller firms with a cost-effective option.
- **Internal IT Staff Disintermediation:** High level network personnel within firms will have to transition to a more strategic IT management and adoption role or see their positions increasingly under fire and outsourced to external providers with depth of specialized IT personnel. This will be a major discussion within firms in 2013 as partners evaluate IT Staffing costs and see the Cloud writing in the sky.
- **Partners Recognize IT Risk:** IT Governance will jump way up the list of things keeping partners awake at night as security and client privacy breaches in the news point to firm owners being the ones ultimately responsible. This will lead firms to formally discuss IT risk and actually designate a non-IT person to evaluate the firm's governance... and actually doing something about it! Keeping abreast of, and evaluating

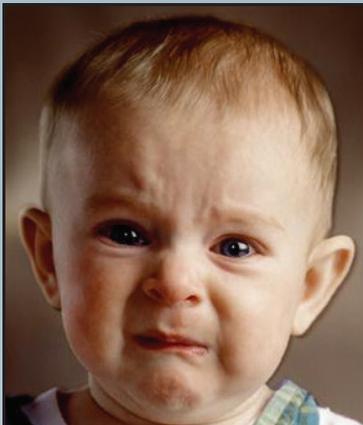
To see how Roman's 2012 predictions fared, go to [www.CPAPracticeAdvisor.com/10822946](http://www.CPAPracticeAdvisor.com/10822946).

to protect client privacy to only those personnel that are authorized and have a need to access the data.

- **BIG DATA for Accountants hits Radar:** The concept of Big Data is that as firms shove more digital files into their network directories or document management application, there comes a point when these current tools are no longer powerful enough to continue to access and utilize the files

the impact of the latest accounting firm trends and technologies will help accounting firm partners position their organizations "to go to where the puck will be" ensuring greatness in the future of their firms. Owners should take the time to review their strategic plans after the busy season and see how IT (this list) will impact them. ●

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# Is CRM Part of Your Firm's Strategy?

**Is Customer Relationship Management (CRM) part of your firm's strategy? If not, you're missing out on a tremendous opportunity to harness and leverage valuable information that you have flowing into your firm on a daily basis. Unfortunately, you're also**

**not alone.** Few firms invest the resources necessary to ensure that client relationships are managed properly throughout the process (from lead generation to service delivery). Those that do are recognizing a tremendous competitive advantage.

Client relationships are the lifeblood of any accounting firm and should be maintained in an efficient, organized system. Too often, firms rely on a number of disparate back office systems to manage this critical information resulting in redundancy, inconsistency and missed opportunities. A Customer Relationship Management (CRM) system is the most capable tool to track and centralize this data while managing

workflow and employee-related activities.

## What is CRM?

CRM within a firm varies depending upon specialization and industry but it is typically characterized by all of the following:

- **Improved Client Relations** Centralizes all contact information with key referral sources
- Encourages follow-up with new and potential clients
- Expands understanding of clients' needs
- **Enhanced Internal Management** Establishes individual and group accountability for client management and service
- Connects multiple business offices to a common source of data
- Shares designated information among internal and external users
- **Expanded Business Development** Enriches the sale of non-recurring services
- Facilitates easy engagement solicitation
- Maintains demographics information for each client
- Demonstrates leadership in thought and the adoption of new technology

## Why CRM?

CRM software offers a host of benefits that improve client relationships and streamline the business development process. It simplifies the relationship-building process while maximizing sales opportunities. In

addition, CRM keeps that critical client information all in one easily accessible and searchable location. Some of the more compelling benefits a CRM system can offer your firm include:

- **A "One Firm" Concept** – client information is transparent and no longer kept in silos opening the door for true collaboration within the firm.
- **A Business Development Culture** – through standardized sales processes, enhanced cross-selling opportunities, enhanced follow-up communications and improved overall client service to name a few features, CRM brings business development front of mind to the entire team.
- **Process Standardization** – CRM helps standardize processes and provides the ability for any employee to track and measure client activities, thus ensuring client service by everyone in the firm.
- **Increase Efficiency** – As you consolidate the number of data sources and related tools and steps required to carry out tracking client relationship information, the process naturally becomes more efficient. In the short run there is always some pain with transitioning to a new way to doing things but in the long run, things tend to run a lot smoother.
- **Boost Client Service** – A single system with consolidated information ensures that important tasks or data do not fall through the cracks. And, it enhances a firm's client relationship processes, leading to improved responsiveness and service that ultimately translate to higher client satisfaction. It is much less costly to keep an existing client than to recruit new business. And happy clients tell others, a reality that leads to referral business.
- **Analytics and Reporting** – Simply capturing client data within a single system is not enough. Your CRM system should make that data easily accessible and offer tools to analyze it once the data have been retrieved.

## Key Considerations

CRM is a major undertaking that requires true commitment to ensure success. It is not a turnkey solution that you install and you magically recognize all the benefits listed above. Here are some of the most important considerations you should keep in mind as you set out on the path to tackling CRM:

- **Firm Project (Not an IT Project)** – this cannot be solely an IT project and it cannot be solely a business user project. Both parties must work hand-in-hand throughout the planning, design, implementation and training phases to ensure success.
- **Communication & Training** – Clear and regular communication is critical to the success of a CRM implementation. As I said before, you're asking people to change some deep rooted behaviors and that doesn't come easy.
- **Tone at the Top** – Leadership must be bought in from the beginning. This can't just be lip service either, the team needs to see you using the system and "walking the talk."
- **Accountability** – Management needs to set up a system of accountability to ensure that people are using the system. This is particularly important in the early stages of adoption.

While implementing a CRM system is no small endeavor, client relationships are too important to be mismanaged and kept in siloes. With the advances in cloud technologies, there are solutions available in the market at price points that didn't exist even a few years ago. Most of these systems are highly customizable and can be adapted to meet your firm's specific needs. However, the success of implementing a CRM system in your firm will be determined by the commitment from the top. If you haven't made CRM part of your firm strategy, I encourage you to do so. ●



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.



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