ONLINE EXCLUSIVE:
SUMMERTIME TAX TIPS: Mix Some Pleasure with Business (www.CPAPracticeAdvisor.com/11440209)

CPA Practice Advisor

EDITION

Today's Technology for Tomorrow's Firm

Nonprofit Fund Services Connecting Professionals Community Improvement People Organizations Grants Education .org Local Social services Mission Committee Opportunities Donation Reaching out Programs Sponsor Support Fundraising Volunteer

LEAN Up Your Firm's Tax Season Debriefing

The Ultimate Window Update

How to Make Next Busy Season Less Busy

PRODUCT REVIEWS:

— Nonprofit Accounting Systems

CYGNUS BUSINESS MEDIA

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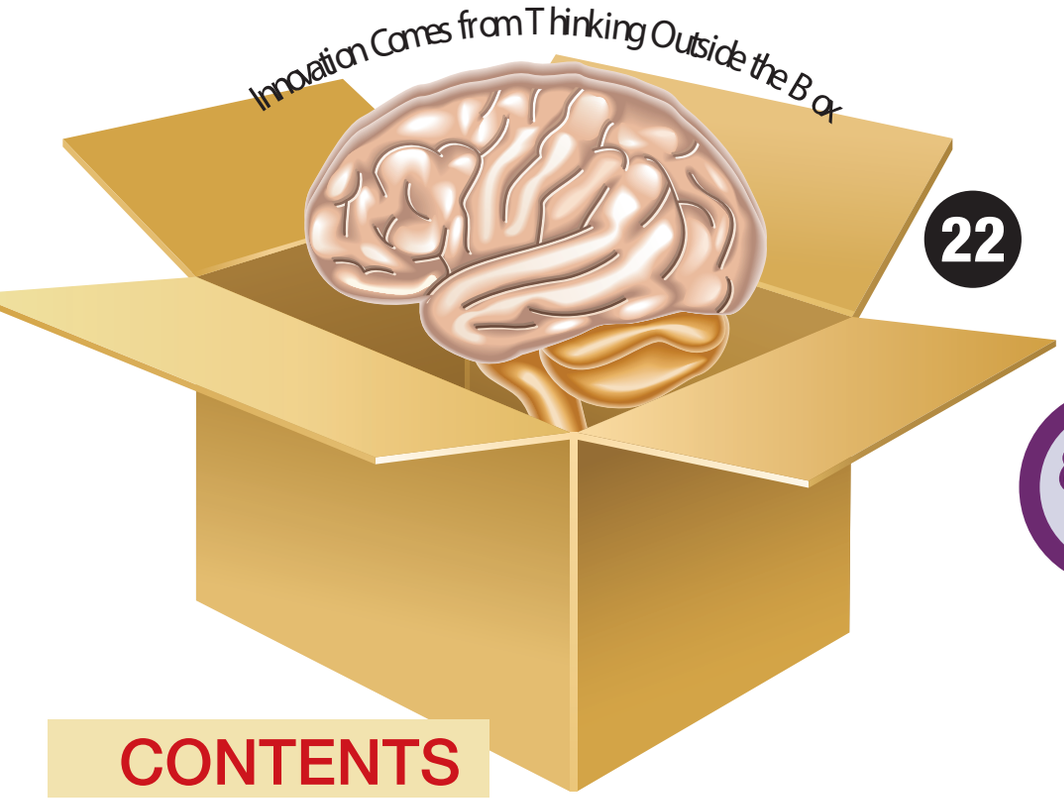
May 2014
VOLUME 24, NUMBER 4

CPA Practice Advisor
VOLUME 24, NUMBER 4
Today's Technology for Tomorrow's Firm



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The average American spends roughly **32 HOURS** per month online.

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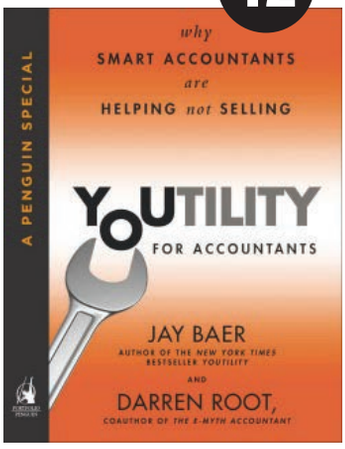

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WEB EXCLUSIVES

Check out our Online Buyer's Guide
www.CPAPracticeAdvisor.com/directory

The Best States for Working Moms
www.CPAPracticeAdvisor.com/11442378

By Gail Perry, CPA, Editor-In-Chief

May Checklist for Accounting and Tax Firms

Many years ago, in a warm sunny May of my youth, I finished college (or so I thought), packed everything I owned in a U-Haul truck, and drove to Washington D.C. I was so bold and happy. I had no job, no place to live, just a passion for whatever life had in store for me. I had no trouble finding a job. There were, in fact, several to pick from. And finding an apartment was just as easy. Every morning I started my day with enthusiasm and awe – how could I possibly be so lucky?

Frequently, I remind myself of that post-college new beginning, especially each May when, once again, it feels like anything is possible. No matter when your official fiscal year begins, doesn't it seem like the actual year ended in April and now it's time to look forward?

I love checklists, so I've created a May checklist for you that incorporates some of the commentary you'll find in this issue along with a healthy dose of fresh starts and new beginnings.

Gail is the Editor-in-Chief of CPA Practice Advisor *and a CPA. She is the author of over 30 books (including "Mint.com for Dummies" and "QuickBooks 2014 on Demand") and she maintains a small tax practice. She earned a bachelor's degree in journalism from Indiana University and studied accounting at Illinois State University before starting her professional career at Deloitte. Gail is the former publisher and editor-in-chief at AccountingWEB and is a former columnist for the Indianapolis Star newspaper.*

May Checklist for a CPA Practice

☑ If you haven't done so already, schedule a busy-season debrief meeting with your complete staff. Talk about what worked, what went wrong, and what you'd like to change or improve. Get some pointers from Lean Six Sigma Black Belt Roman Kepczyk on page 18, "LEAN Up your Firm's Tax Season Debriefing".

☑ Extend your debrief to clients. Prepare a client satisfaction survey to send to your busy season clients, requesting their feedback on how they enjoyed their experiences with your firm and asking for suggestions for improvement.

☑ Plan your extension schedule. The October You will be so appreciative if you set up appointments now for collecting data from all clients who are on extension.

☑ Consider a software update. Technology guru Dave McClure has the lowdown on Windows 8.1 in "The Ultimate Windows Update" on page 14. And if you serve nonprofits, be sure to read this month's reviews starting on page 6.

☑ Spring cleaning! Clear the desks, get the carpets cleaned, freshen wall art and paint scratched walls. Spruce up the grounds with lawn fertilizer, flowers in the beds, pots of plants outside and throughout the office. Wash the windows. Dedicate an afternoon to cleaning and then have an office pizza party to celebrate!

☑ Freshen your website. Spring cleaning can go virtual if you take the concept to the web. Take new pictures of your office and staff, rewrite bios, update descriptions of your services and add new offerings. Work on site content to increase your YOUtility (see Kristy Short's article, "Are You a YOUtility" on page 12). Use your knowledge of your clients to provide content that will connect with them, as described in Taija Jenkins' article, "How Content marketing Can Strengthen Client Relationships" on page 13.

☑ Post sign-up sheets for community activities coming up in the months ahead.

☑ Summer is prime time for maintaining your continuing education requirements. Read Randy Johnston's insights on creating a learning program on page 16 before you start booking your summer classes.

We'll be creating summer checklists in the months ahead, so if you have regularly-scheduled summer activities that you would like to share with our readers, please send them to editor@cpapraticeadvisor.com - I'd love to hear from you! ●

— Gail Perry, Editor-in-Chief
Follow me on Twitter at @gaperry

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Today's Technology for Tomorrow's Firm

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REVIEW SECTIONS

BASIC SYSTEM FUNCTIONS
- Installation
- General Navigation/Ease-of-Use
- Modules
- Scalability

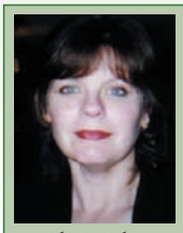
CORE NFP/FUND ACCOUNTING CAPABILITIES
- Account Structure/Types
- Multiple Transaction Types
- Budget Management/Tracking
- Multiple Budget Types
- Donor Management/Tracking
- Grant Tracking
- Automatic Fund Balancing
- Multiple Year-End Closings
- Audit Trail
- E-Features

MANAGEMENT FEATURES
- Dashboards (snapshots)
- What-If Analysis & Budgeting Scenarios
- Security Features/User Roles
- Spending Control Functions
- Collections
- Fundraising
- Document Management Capabilities

FINANCIAL STATEMENTS & REPORTING
- Customization Capabilities
- Financial Statements
- FASB/GASB Reporting
- Endowment/Grant Reporting
- Reporting Export Options

INTEGRATION/IMPORT/EXPORT
- Data Transfer/Import
- Integration w/Vendor's Other Products
- External Program Integration
- Remote Accountant Access or Online Accountant Data Transfer Tool

HELP/SUPPORT
- Built-in Support Features
- System Updates
- Support Website/Documentation
- Training Options
- Live Support



Mary Girsch-Bock
Mary began her career as an accountant in the property management industry, later moving into the healthcare industry. She is now a freelance writer specializing in business and technology issues and is the author of her first book, several HR handbooks, training manuals, and other in-house publications. She can be reached at mary.girschbock@cpapracticeadvisor.com.

Software for Managing the Needs of Nonprofits

By Mary Girsch-Bock

Like all businesses, nonprofits need to track expenses, monitor income, create budgets, and produce financial statements. Also unlike their for-profit counterparts, nonprofits also need to track programs, membership dues, association fees, donations and grant funds.

In 2012, the National Center for Charitable Statistics estimated the number of nonprofits in the U.S. at 2.3 million, with just over1.6 million of those nonprofits registered with the IRS. Unlike their for-profit counterparts, nonprofit revenue is typically in the form of donations. For example, in 2012, 72 percent of nonprofit revenue was received in the form of individual donations, with just over 16 percent of revenues coming from foundations.

Like all businesses, nonprofits need to track expenses, monitor income, create budgets, and produce financial statements. Unlike their for-profit counterparts, nonprofits also need to track programs, membership dues, association fees, donations, and grant funds.

Depending on the legal classification of your clients' nonprofits, their software needs can vary greatly. Annual budget size can also help to determine the best software fit for your clients. For instance, if your client receives the majority of its revenue from individual donations, a product that offers comprehensive donor management capability is a necessity. If funding is grant driven, the availability of grants management module would be prudent, particularly if government grants are common, as comprehensive tracking of these grants is a necessity.

The above statistics alone demonstrate the need for comprehensive nonprofit software that can adequately manage finances as well as manage donor data.

Although it adheres to the standard financial structure found in most software products, nonprofit accounting software is very different. While processing standard accounting transactions is part of any business or organization, whether a for-profit or nonprofit, nonprofits also have to track separate funds, grant dollars, memberships, programs, and donations.

The nonprofit software products reviewed in this issue probably differ just as much as the needs of the nonprofit. Several are well-suited for smaller nonprofits, offering quick system setup, easy system navigation, and a lower cost. Those suited for larger nonprofits offer a laundry list of modules and system features, along with a significantly higher financial investment. There are also several scalable products that offer the best of both worlds: a smaller, entry level system, as well as a more comprehensive version available if needed. Pricing is also more flexible depending on needs and modules purchased. Scalable products are particularly well suited for nonprofits experiencing a growth spurt.

What category your clients belong in and what product works well for their organizations is best determined by you. In this review, we try to make that process a little easier by looking at several products that differ greatly in scope and functionality. We looked at the following area for each product, hoping to make you and your clients' decisions a little easier.

Basic System Functions – This is where we examine the basic program format. Is it a traditional desktop product, SaaS or Cloud-based product, or both? Ease of setup, navigation, and available modules are also examined.

Core NFP/Fund Accounting Capabilities – In this area we look at nonprofit-specific features and functionality such as the ability to process multiple transaction types, create varying types and levels of budgets, and the availability of grant management and donor management functionality. We also look at basic chart of accounts structure and system customization capabilities.

Management Features – In this area we look at various management tools such as the availability of dashboards, budget forecasting tools, and expense control features. We also look at the ability to track and monitor collections and donor management capabilities.

Financial Statements and Reporting – In this area we examine the depth of reporting available. Can users easily customize existing reports? Does the system offer a solid list of standard reports? Can the system product nonprofit specific reports such as the FASB 117? We also look at report export capability.

Integration/Import/Export – In this area we examine the ability of the system to import data from other applications, whether users can export data easily from the product, and whether the product fully integrates with other available modules and add-on features that are available.

Help/Support – In this area we examine the various support options offered by the software vendor; the availability of a solid help system, and what training options are available to new system users.

Summary – In this area we provide product pricing as well as a general summary of the product.

It's important to remember that many of these products offer free webinars and demos that allow users to try them out prior to purchasing. And while everyone's needs are different, you'll likely find a product here that is well suited for your client.

GRANTS MANAGEMENT SYSTEMS, INC.

NONPROFIT ACCOUNTING AND FINANCIAL MANAGEMENT/REPORTING

Software Designed for Grant and Contract Accounting

> Integrated Cost Allocation
> Budgeting, Accounting and Reporting for Multiple Grant Years
> Integrated Payroll, Leave Accounting and Labor Distribution
> Accounts Payable, General Ledger and Month Ending Reporting
> Supplemental Software for Report Writer, Accounts Receivable, Fixed Assets Inventory, Purchase Orders, Payroll and A/P Direct Deposit and More
> GMS also offers Revolving Loan Servicing Software (25% off RLSS through June 30, 2014)

Promotes Document Attachment and Automatic PDF Report Filing

GMS Services Offered

> On-site training by accounting professionals
> Continuing service and support by phone, live chat and email
> On-site and off-site assistance in year end closing and audit preparation

Call us today to schedule a live demo at 800.933.3501

or

Download your free 90-day trial www.gmsactg.com

GMS

FUND E-Z Nonprofit Accounting Version 10

Read the full review and see expanded ratings for this product online at: www.CPAPracticeAdvisor.com/11429076

2014 OVERALL RATING

BEST FIT

FUND E-Z is a solid nonprofit accounting software product optimally designed for small to mid-sized nonprofit organizations and government entities. Newly revised, FUND E-Z is available in both basic and pro-editions for user flexibility.

STRENGTHS

- Intuitive user interface modeled after and designed to work with Microsoft Office products
- Two editions available
- Excellent optional fundraising module
- Limited training time required to be up and running
- Strong budgeting capabilities

POTENTIAL LIMITATIONS

- Lack of a Grants management module
- Lack of e-payment and e-banking features

SUMMARY & PRICING

FUND E-Z Nonprofit Accounting from FUND E-Z Development Corporation is a solid, scalable nonprofit system that is well suited to small to mid-sized nonprofit organizations. Pricing starts at $1,995.00 for a basic edition for a single user. The FUND E-Z Fund Raising module, available for $995, can be used in conjunction with the full accounting suite or as a stand-alone product.

www.fundez.com

Araize FastFund Nonprofit Accounting

Read the full review and see expanded ratings for this product online at: www.CPAPracticeAdvisor.com/11429048

2014 OVERALL RATING

BEST FIT

In business since 1985, FastFund Nonprofit Accounting uses SaaS technology to provide small to medium nonprofits with an accessible, affordable, fully integrated nonprofit software product.

STRENGTHS

- Easy-to-navigate program
- Excellent help system and free product support
- Designed by CPAs
- Excellent budget capability
- Fundraising and payroll modules available

POTENTIAL LIMITATIONS

- Product is only available as SaaS
- Rapidly growing nonprofits could outgrow product (I disagree, since you state in the first paragraph "making it a good fit for smaller nonprofits looking for a product that also offers room to grow." While our FastFund Online has attracted more smaller nonprofits because of the low cost of entry, our largest client has an operating budget of over $12,000,000 and our average user's budget is around $2,000,000.

SUMMARY & PRICING

An excellent product for small to mid-sized nonprofit organizations, Araize FastFund Nonprofit Accounting provides excellent accounting and fundraising capability at an affordable price. Only available online, FastFund Nonprofit Accounting starts at $35.00 per month. The premium version is available for $75.00 per month, and the addition of the fundraising software is $35.00. Users also have the option to purchase accounting modules and a multi-user license separately.

www.araize.com

GMS Accounting - Grants Management Systems

GMS or Grants Management Systems is nonprofit accounting and financial management software designed for larger nonprofit organizations and government entities that require grants or project management capability.

Sold as a complete system, GMS Accounting offers a fully integrated accounting system that contains all standard financial capabilities including GL, Cash Receipts, Budget Preparation, Cost Allocation, AP, Payroll, Timesheet Accounting, Financial Reporting, and Security features. Additional modules are also available including AR, Purchase Orders, Fixed Assets, and Report Writer. GMS also offers Revolving Loan Servicing Software (RLSS) that integrates with the Accounting and Financial system so agencies can easily manage both federal and state funded loans.

Designed to track contracts, grants or program activity, GMS users can choose either a Microsoft Access or SQL Server package, and the software is available in 1-2 user, 3-4 user, and a 5+ user editions. It's important to note that GMS is NOT fund accounting, but is designed specifically to account for grants, contracts, and organizational programs.

The GMS GL offers a simple, straightforward chart of accounts structure, using a 5-digit code. Program elements (all grant and program activity) are 6-digit codes and are pre-linked to make posting more efficient. The program elements are the true backbone of the GMS reporting structure, tracking data at the cost center level, the project level, and into organization wide reports.

The GMS cash receipts system allows users to code revenue directly into the appropriate grant, project, or program. The Cost Allocation system tracks employee leave and fringe costs, monthly allocation costs such as square footage. Users can also track indirect costs to manage all indirect cost transactions, calculate a year-to-date indirect cost rate, and apply indirect costs directly to programs.

Budgets can be created for Programs, Indirect Costs, Fringe Benefits, YTD timesheets, and Agency-wide Budgets. Budgets can cross fiscal years when needed, and all budgets can be exported as needed.

Those processing payroll will appreciate the level of detail that GMS can manage, All payroll entries are timesheet generated, and users can set up pay codes for Deductions, Personnel, Sites, Local, Tax, Special Pay, Departments, Positions, Workers Compensation, State Tax, Pay Codes, Leave Type, Garnishment Deductions, and Multiple Pay Rates.

For those needing billing capability, GMS offers an optional AR module that can track customer data, handle customer maintenance, post cash receipts, while offering a customer inquiry screen, invoice and Statement creation, and a complete AR History. The Purchase Orders module provides easy monitoring of all purchase orders. Fixed Assets can be tracked in the optional Fixed Assets module, which provides depreciation and disposition data. And for organizations that require more detailed reporting options, the optional Report Writer module allows users to develop specialized reports utilizing the data tables found in GMS.

The 1-2 user core GMS system is $3,500, with add on modules starting at $1,200. Support is required for the first year of use, with an additional cost of $210 per month. GMS also requires on-site training at the user's location, with two weeks of training typically required for a 1-2 user system.

For more information, or to download a free demo, visit www.gmsactg.com.

(800) 933-3501
www.gmsactg.com

Serenic Software - Serenic Navigator

2014 OVERALL RATING

5

Serenic Navigator Express provides a user experience that includes user-guided installation, easy navigation, and a ribbon design with customizable interface. The core package includes several basic features including GL, AP, AR, Cash Management, Fixed Assets, and Financial Reporting. Budgeting and audit trail functionality are also available, and the product can be used as a desktop program or can be accessed via the cloud. Using Microsoft Dynamics NAV, Serenic Navigator Express offers integration with Microsoft Office products including Excel and Word, with reports, invoices, and other documents saved as Word, Excel, or PDF files.

BEST FIT

Powered by Microsoft Dynamics NAV, Serenic Navigator is available in three versions, Express, Essentials, and Enterprise, and is well-suited for the smallest to the largest nonprofit organizations. Serenic Navigator Express and Serenic Navigator Essentials are only available as a cloud-based SaaS, but the Enterprise edition is available as a cloud-based, hosted, or on-premise version.

STRENGTHS

- Product available in 3 versions
- Pricing levels make product accessible to just about any nonprofit
- Available as Saas, Hosted, or On-Premise product
- Solid integration with DonorVision
- Fairly small learning curve

POTENTIAL LIMITATIONS

- Some training is necessary

SUMMARY & PRICING

Serenic Navigator Express is $99.00 per month for a full user with limited users $15.00 each. Navigator Essentials is $149.00 per month with limited users $24.99, and Navigator Enterprise starts at $13,000 for 3 full users. With this product and pricing strategy, Serenic Navigator is truly scalable enough to suit the needs of both small and growing, mid-size and large nonprofit organizations.

www.serenic.com

Read the full review and see expanded ratings for this product online at: www.CPAPracticeAdvisor.com/11428998

AccuFund Accounting Suite for Nonprofits

Read the full review and see expanded ratings for this product online at: www.CPAPracticeAdvisor.com/11429025

2014 OVERALL RATING

BEST FIT

AccuFund Accounting Suite for Nonprofits is modular, scalable nonprofit software that is well suited for mid-sized and larger nonprofit organizations, including enterprise-level entities those managing hundreds of millions in funds. Available in both desktop format and as an online/cloud-based solution, AccuFund offers flexibility along with solid accounting functionality.

STRENGTHS

- Excellent scalability with varying editions and options available
- Offers complete nonprofit management including grant management and donor management capability
- Solid reporting capability
- Extensive budgeting options
- Excellent selection of add-on modules available

POTENTIAL LIMITATIONS

- Users may have to invest some time and money into system training

SUMMARY & PRICING

AccuFund is a solid, nonprofit product well suited for - nonprofits that require a scalable product that offers both grant management and donor management capability. AccuFund offers both a standard and professional edition of its desktop product as well as AccuFund Anywhere, which is Cloud-based, offering further flexibility. Pricing begins at $2,995 for a single user system with additional modules priced between $1,295 and $2,495. AccuFund Anywhere starts at $190 per month for the first user, with subsequent users extra. Add-on modules are priced between $80 and $110 per month.

www.accufund.com

SPONSORED CONTENT

FIRST-HAND

How AccuFund Helps a California Nonprofit Serve its Community

Nestled in the foothills of California's Sierra Nevada Mountains, Calaveras and Amador counties are very rural, with the largest towns in the two counties averaging only about 4,000 in population each. The pastoral nature of the area is one of the challenges faced by The Resource Connection (TRC), a 501(c)3 nonprofit organization that helps provide social and educational programs to communities and families in the region, because towns are widely spread out.

Before AccuFund

Founded in 1981 with an initial focus on what were then termed "women's issues," such as child care and domestic violence issues, TRC has expanded to include a crisis center, food bank, prevention education, child care resources, food and nutrition assistance, and it manages the head start programs in the two counties.

As the organization's finance director, Michelle Gonzales oversees all of the day-to-day management of TRC's resources and staff. With a paid staff of 130, the organization is primarily funded via state and federal grants for its various programs, and also runs some county programs. This requires extensive fund management tracking and allocation functions, which was one of the key factors when the organization was searching for a new financial management system.

Finding the Right Nonprofit Solution

The organization had been using a traditional fund accounting program, but the program was not meeting all of TRC's needs, especially since TRC didn't have enough IT staff to effectively manage the technology aspects at the organization's 17 separate locations in the rural area. Hosting the program on its own servers and maintaining the updates were only two parts of the problem, but much more significant was TRC's need to strictly track more than 65 grants and contracts, manage multiple departments and generate detailed reporting for compliance and management purposes.

When TRC discovered the AccuFund Accounting Suite, Gonzalez said they knew they had found the perfect solution to their needs. The program includes core modules for GL, AP, AR, purchase orders, financial and budget reporting, user security levels, and FASB reporting, as well as options for grant management, payroll, human resources, employee time entry, asset management, inventory and allocation management. Also, AccuFund hosts the program, relieving TRC of IT headaches.

"I love that it is hosted through AccuFund; it made it so much easier to roll out the program and for our staff to access and log in," she said. "All they need is a connection to the Internet. And the system allows directors to run their own reports and look at numbers on a day-to-day basis so they aren't making frequent requests from the accounting department."

AccuFund also offers accounting systems for smaller nonprofits, government entities, and fundraising management systems.

The payroll and human resource management functions have dramatically improved efficiency at the organization, Gonzalez said, because staff can easily log in to enter time worked on projects, check their own pay stubs, record sick and vacation time, use secure messaging and share information. Timesheets are automatically sent to supervisors for approval. Much better than the tedious Excel-based routine they used before, which made distribution difficult, required frequent journal entry changes and resulted in lost and incorrect timesheets.

The staff like it better too, and for some workers it's as easy as using a thumbprint bioscanner timeclock to check in and out of work, with data automatically posting to the AccuFund system. A further benefit, Gonzalez noted, was that AccuFund has helped her have stronger internal controls, especially with purchase orders and requisition routing.

Training and Implementation

To get started and trained with AccuFund, the group worked with ComputerWorks NFP Solutions, a California company that helps nonprofits. Gonzalez said the program was very easy to use and set up, and ComputerWorks helped them build the exact reporting they needed, while AccuFund's support team has always been very fast and responsive.

"We love working with AccuFund because they really listen, and they are constantly working to add new features and capabilities as the need comes up."

READ THE 2014 REVIEW OF ACCUFUND
www.cpapracticeadvisor.com/11429025

CPA Practice Advisor

Aplos Fund Accounting

Read the full review and see expanded ratings for this product online at: www.CPAPracticeAdvisor.com/11429096

2014 OVERALL RATING

BEST FIT

Aplos is designed for small to mid-sized nonprofits with annual revenues of less than $500,000. Affordable for even the smallest nonprofit, Aplos offers convenient system access via a cloud-based platform, along with easy system navigation via a simple, straightforward user interface that requires little training.

STRENGTHS

- Cloud-based application provides convenient system accessibility
- Easy system navigation requires little training
- Product support is included in base price
- Integrates with Donor Management component
- Affordable for even the leanest budget

POTENTIAL LIMITATIONS

- Limited budgeting capability
- Rapidly growing nonprofits may outgrow product

SUMMARY & PRICING

Specifically designed for nonprofits with revenues of less than $500,000 annually, Aplos allows small nonprofits to be up and running immediately with little down time needed for training or system setup.

Affordably priced for even the smallest nonprofit, Aplos Accounting starts at $12.00 per month for a single user; $20.00 per month for unlimited users. The Donor Management option is $10.00 for a single user.

www.aplossoftware.com

Blackbaud - The Financial Edge

Read the full review and see expanded ratings for this product online at: www.CPAPracticeAdvisor.com/11429122

2014 OVERALL RATING

BEST FIT

The Financial Edge, from Blackbaud is well suited for small to mid-sized nonprofit organizations, NGO's, and government entities. An excellent choice for those needing comprehensive donor and grant management functionality, The Financial Edge can be easily scaled up or down, depending on the needs of the organization.

STRENGTHS

- More flexible pricing structure
- Long list of available modules and third-party applications
- Excellent industry specific options available
- Scalable and customizable
- Excellent budgeting capability

POTENTIAL LIMITATIONS

- Not well-suited to very small nonprofits

SUMMARY & PRICING

The Financial Edge starts at $2,995 for a 3-user on-premise system. Online subscription pricing starts at $299 per user per month, with pricing for both versions depending on the number of modules purchased. With its scalable structure and more flexible pricing options, The Financial Edge can be a useful asset to organizations of all sizes.

www.blackbaud.com

By Kristy Short Ed.D. and Jay Baer

Are You a YOUtility?

How Smart Accountants Are Helping, Not Selling

If you haven't heard of the YOUtility concept, you are missing out on the most important marketing concept of the mobile age. YOUtility is a new way of marketing your firm's services that enables you to become inherently and genuinely useful to prospects and clients.

At the core of this concept is *helping*. And you accomplish this by supplying clients and prospects with helpful information—such as how-to's, tips and tactics, detailed tax and accounting insights, and more. In other words, the concept has you giving away your knowledge.

I understand that this goes against everything you know about the profession. For years, accountants have operated under the mindset of guarding trade secrets—fearing that if too much is given away, no one would need or pay for your services. This is no longer the reality. The pervasiveness of the Internet and fundamental shifts in how consumers research products and services has changed the game. Research shows that business-to-business customers have 70 percent of the purchase decision completed before they ever contact the company. This is true in the accounting profession as well. Potential clients are "secret shopping" accountants—looking for services information, online reviews, and other digital cues about your value and expertise. Potential clients are out there looking, so it makes sense to push out as much information online as you can—info that's as helpful as you can make it.

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

This concept of offering information that is so useful people would actually pay for it if you asked them to is derived from the *New York Times* best-selling business book *YOUTILITY*, by Jay Baer. The book (and its companion eBook, *YOUTILITY for Accountants*) shows that business success is all about helping—not sales and marketing hype. Giving away valuable, educational resources and information is a way to break through the messaging clutter to earn consumer trust and eventually convert them to clients. As Jay wrote, "Sell something, and you make a client. Help someone, and you make a client for life." And because helping is at the core of what accounting professionals do every day, this makes perfect sense.

To better understand YOUtility and how it relates to the accounting profession, I went to the expert, Jay Baer.

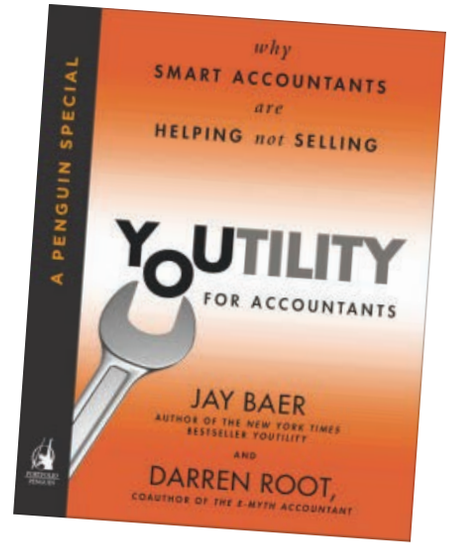
Kristy: Why should accountants take the time to understand the YOUtility concept?

Jay: Selecting an accountant is an important, measured decision for most people. The ramifications of that decision are long-lasting. As such, even more than in most industries, potential accounting clients are hyper-researching their options—seeking to augment personal referrals with other information that ratifies or helps guide their decision. The way for accountants to "get on the radar" of their potential clients isn't by advertising more, it's by developing marketing that's inherently helpful.

Kristy: Do you have a good example of an accounting firm that's using YOUtility effectively?

Jay: I do. In fact, I interviewed and included this firm in *YOUTILITY for Accountants*. The firm is Hanner & Associates, located in Bedford, Texas. Hanner & Associates has moved from a regional accounting firm serving many types of companies to a national firm with a defined niche: veterinary practices. The firm's owner, Glenn Hanner, and his team, made this shift by being incredibly useful to veterinarians. The firm sends a strong signal about its category of expertise, using www.VetCPA.com as their domain name and providing an extraordinary animated demonstration video on their site that identifies the unique challenges faced by vets and outlines how Hanner can help. Hanner is doing an amazing job with YOUtility marketing overall.

Kristy: What types of communications should firms be pushing out and what are some of the best vehicles to deliver helpful content—blogs, social media, etc.?



Jay: A blog is a great place to start, because it has shelf-life and it enables accountants to demonstrate expertise in a somewhat more comprehensive way. Social media is important too, but mostly as an amplification tool. Content (like a blog) is fire; social media is the accelerant.

Kristy: Anything else that accountants should know to help them become "genuinely and inherently useful?"

Jay: Don't be afraid to transcend the transaction. You can and should provide information that's relevant to your clients and prospective clients, even if that information is not about accounting per se. Give yourself permission to make the story BIGGER. The *YOUTILITY for Accountants* e-book is a great resource to start with because it is chock full of detail on the YOUtility concept and case studies of successful accounting firms that have accelerated their businesses with YOUtility marketing. There are lots of examples in the book of how to build your practice by being useful.

Marketing takes on a whole new meaning when you view it from the client's perspective. Consumers today don't want to be inundated with sales-heavy hype; they want help, instruction, and information that is useful. YOUtility is the concept that meets the needs of today's online-researching clients and prospects, and the concept that will enable you to become inherently and genuinely useful to these folks. So, are you a YOUtility? If not, there are tons of potential clients (and existing ones) waiting for your help. ●

How Content Marketing Can Strengthen Client Relationships

By Taija Jenkins, Assistant Editor

By now, you've probably heard of "content marketing," even if you're not sure what it is or why it's being talked about in the accounting industry. It's not just jargon thrown around by marketing professionals, and it definitely has a place in your firm. Simply put, content marketing is connecting with your clients without pushing your services on them.

Because content marketing allows you to provide information to clients outside of the benefits of your services, it also serves to establish you as a trusted expert in your field. When you provide real information that clients can relate to and use, it shows them that you are invested in them as people and not just someone you can sell to. Once they see that they can trust you, your relationship will grow stronger.

How do you provide quality information that's also useful? The first step is to get to know your clients. For many accounting professionals, this is no problem as they have long-standing relationships with their clients. The connections you have with your clients will provide valuable insight into their fears, questions and goals – key items to consider when putting together content for them.

For example, instead of generating materials promoting your tax services during busy season, try providing clients with information that they will want to read, such as common tax time mistakes and deductions and credits they may qualify for. Perhaps there are several types of questions you receive often from clients. Use those questions as a guide to draft communications to address those questions and other related topics.

Truly knowing your clients will also help you determine the best way to reach them. If your clients primarily interact with you through your client portal and social media, you can go beyond traditional email with your content marketing.

Chances are, you interact with your clients in different ways at different times. Your content marketing efforts should reflect this. A well-planned strategy will push the content your clients want when they want it where they want it. As you interact with your clients regularly, you can continue to get new ideas for your content.

When you focus on topics and areas that are of high interest to your clients, your content won't sound like a sales pitch for your services. The services you provide will be in these same interest areas, and when you provide useful information, you are establishing trust and rapport. Furthermore, you are subtly telling your clients they can trust your services as well. You have shown them that you not only understand their issues and you have demonstrated your expertise, but you also are showing that you care about what's important to them. This is huge in establishing and strengthening your client relationships.

Connecting with clients on a personal level will be fairly simple for many accounting professionals. Most of your clients already come to you for their personal and financial affairs, and because of this you know them by name. Content marketing allows you to take this a step further. It allows you to create content that can then be sent to clients to follow up on previous conversations.

Content marketing is not a sales pitch. It's carefully thought out material designed to add value to your clients' lives. While it might seem like "one more thing to do" – and can even be a bit daunting if you dread writing (after all, you signed up for numbers, not words) – sharing content is essential to strengthening your client relationships. It not only positions you as a trustworthy source among your clients, but it also provides them with helpful information from someone they can trust.

Taija Jenkins is an assistant editor for CPA Practice Advisor.

By Dave McClure

The Ultimate Windows Update

While tax and accounting professionals were feverishly trying to finish the 2014 tax season, Microsoft dropped two bombshells on the Windows Operating Systems.

On April 8, all support for the Windows XP system came to an end. On the same day, the company released the "Windows 8.1 Update" that may at long last enable users to dump the tiled, "metro" interface. Here is what you need to know, and need to do, now that tax season is safely behind you.

First Steps

The first thing, obviously, is back up all client data; do a restore to assure the backup is valid; and store it offsite in a safe location. Failure to do so will be perceived as a violation of the Federal Trade Commission's mandate with respect to securing client data. That done, there are two tools that will ease the transition process to new hardware and operating systems.

- The Microsoft Windows Upgrade to version 7, at http://windows.microsoft.com/en-us/windows7/products/upgrade#T1=tab01.
- The Microso0ft Windows Upgrade to Version 8.1, at http://windows.microsoft.com/en-us/windows-8/upgrade-to-windows-8

Then it is time to determine how well your existing hardware will work. If you are still using Windows XP, the answer is that at least some of your hardware will not have drivers to operate under more current operating systems, and certainly not under the 64-bit versions of the software.

Here are three basic resources:

- Which Windows Operating System Am I Running? http://windows.microsoft.com/en-us/windows/which-operating-system
- What are the system requirements for Windows 7? http://windows.microsoft.com/en-us/windows7/products/system-requirements
- What are the system requirements for Windows 8? http://windows.microsoft.com/en-us/windows-8/system-requirements

Armed with this information, you can decide what you wish to upgrade from and to. If you are running Windows XP or Vista, you will need to upgrade to Windows 7 or 8 (well, actually the Windows 8.1 Update, which appeared on April 8, 2014). If you are running Windows 7 you are under less duress, as you can remain there for a few years yet. There are, however, some good reasons to go ahead and make the upgrade to Windows 8.

Windows 8 has evolved a bit in the past two years, and with the April Update has become almost the operating system we want it to be. That is, there is now an option to boot directly to the old, familiar desktop and better navigation with the mouse and keyboard. But this is just the starting point. Toward the end of 2014, Microsoft will release another free upgrade, Windows 8.2, and in April of 2015, a new Windows 9.0. Windows 9.0, for the record, is purported to be a complete re-write of the operating system.

Upgrade to Windows 8.1 Update

It only makes sense to make this the year that you upgrade to Windows 8.x – if for no other reason than free future upgrades and enhanced security capabilities that will comply with standards that are being re-written, more stringently enforced and audited.

Here are the steps:

- **CONDUCT AN AUDIT OF ALL HARDWARE AND SOFTWARE.** It's a good job for a summer intern, particularly if you can find a local college student working toward an IT degree. Then determine which pieces of each will need to be abandoned, upgraded or replaced. This will provide a base line for the cost of upgrade while giving the firm the opportunity to assess its IT needs today and into 2015.
- **KEEP A NERVOUS EYE ON YOUR PRIMARY ACCOUNTING AND TAX SOFTWARE.** While virtually all accounting and tax software vendors are keeping pace with Windows development, not all may be adept at the security, portal, backup, document management and client collaboration tools. For these, it is helpful to pick up the IRS Publication 4557, *Safeguarding Taxpayer Data: A Guide for Your Business* (www.irs.gov/pub/irs-pdf/p4557) and Publication 4600, *Safeguarding Taxpayer Information: Quick Reference Guide for Business (www.irs.gov/pub/irs-pdf/p4600)*, which summarizes Publication 4557.
- **UPGRADE IN LATE SUMMER AND EARLY FALL, BUT THEN HOLD.** While Windows 8.2 should be out at year's end, that is too uncomfortably close to next tax season to be making wholesale changes to equipment and operating systems. Do what you can until Thanksgiving, then wait until the following May to make further changes.

I have long been a critic of Windows 8, and am still not certain that Microsoft can pull off its planned smartphone/tablet/PC hat trick. But the signs are promising enough that I am using Windows 8 in its native mode in order to root out the changes that actually took place with the Upgrade. More on that as we have things to report.

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

REALITY CHECK

This is a compendium of ideas, products, rants and raves from the viewpoint of the author. Note that the author has no financial interests in any of the products mentioned. Feel free to disagree, or to share your ideas by sending them to davemcclure@cpapracticeadvisor.com.

INTERNET SITE OF THE MONTH.

Windows 8.1 For Dummies Cheat Sheet.

I've long been a fan of the "for Dummies" line of books, and the one for Windows 8.1 is a mere $24.95. But if you just want a quick scan, there is a cheat sheet and a series of online courses that can help make the transition easier.

Nuance Power PDF Advanced

Nuance, better known for their voice recognition software, has an active document management division that has produced a viable alternative to Adobe PDF Creator. It's a version designed more for the needs of accounting firms than most of the "PDF converters" in the marketplace, with the ability to download PDFs as word documents and fill in PDF forms. But you'll want the $150 advanced version to get the full set of features.

Microsoft OneDrive

Do not, repeat, do not use Microsoft Office 13 in its default configuration without turning off that software's automatic saves to "OneDrive" cloud storage. There are many reasons this is the case, not the least of which is that the consumer version of OneDrive does not meet the security standards of either the Federal Trade Commission or the Gramm-Leach-Bliley Act, both of which are binding on accounting firms.

Backlit Ergonomic Keyboards

There are none. Apparently, keyboard manufacturers have decided that only teenage gamers need to see their keyboards late at night (which makes one wonder who prepares their taxes?). There needs to be a backlit ergonomic keyboard, and appears to be enough pent-up demand to justify at least an initial productions run. Perhaps when Microsoft stops trying to be Google, they will produce one. I will buy several…

Password Keepers

I've tried dozens of these things, and not one of them has worked well. Of course, there is a password storage system built into both the Windows and Mac X operating systems, but it is pretty rudimentary. On the other hand, most of the commercial products I have tested seem unfinished, crippled, or simply too complicated to do what they need to do. I welcome dissenting opinions.

USB 3.1 Type C

We barely had a chance to get used to the standard USB3.0 before the better, faster version came along, but this is one to approve of. Its major feature: it has no up or down, so when you are fumbling in the dark to plug in a smartphone or tablet…you can get it right on the first try. No more painting a dot on the correct side in glow-in-the-dark paint (though save the paint to dab on the connection point of the device, so you can find where to plug the cable into). ●

By Randy Johnston

Training Trumps Tools

Most of the time in this column, discussion of the best or most promising technology tools is a primary source of interest. However, every once in a while a return to fundamentals is needed. One fundamental that has been consistently problematic for all sizes of firms is training. Frequently the need for training is either ignored, put off, or simply done poorly. Rarely do we see training done right. Why is that?

You need a learning program!

Derek Bok, an attorney and former President of Harvard, is attributed with the phrase, "If you think education is expensive, try ignorance." We certainly note this issue in CPA firms and industry businesses alike. Frequently, simple tasks that would be easy to accomplish in Microsoft Office or in tools from companies like Wolters Kluwer CCH, Thomson Reuters, Intuit or CaseWare are done in a backwards and time consuming fashion. One of the largest time wasters is ineffective use of Microsoft Outlook. Properly, efficiently and quickly handling email, calendar appointments and communications with others should be convenient and fast when using this product.

Coming in at a close second is inefficient use of Microsoft Word. You may have clerical support to start or finish a document, but electronic review is frequently the easiest and fastest way to express your thinking, or add your editing or modifications to a document. Professionals frequently believe that they "know enough" to use the tools, and become blind to the amount of time squandered and the reduction in realization caused by excessive soft and hard hours consumed.

Some content offered through free webinars and hands-on training providers is too generic and too sales-laden to apply directly to many organizations' needs. Simply learning more about Outlook or Word will help the most elementary of users, but the more advanced users need more than basic technologies. Consider the skills needed by each position and individual. These needs can be scheduled into topics and consolidated into courses that can be taken for CPE (Continuing Professional Education) credit or simply used to advance one's knowledge.

For example, a tax professional has needs for both entry level and medium level Excel skills such as tables and flash fill. An audit professional has needs for more advanced Excel skill such as Open Database Connectivity (ODBC) queries. Out of the hundreds of Excel features available, there are specific Excel skills that can be applied to routine, repeatable client services. Each position and each person should have an education plan. You can request a sample learning grid by contacting the author directly at randy.johnston@cpapracticeadvisor.com .

Let's cite an alternate example with the QuickBooks desktop product. As most of you probably know, the ability to create a Chart of Accounts without account numbers is a usability feature for end-users that makes it "easier" to use QuickBooks. However, accounting professionals need and use account numbers. Some industries, such as healthcare, have recommended chart of account structures. For consistency, effectiveness and efficiency, having a consistent chart of accounts across an entire client base that can be used for any new client setup greatly simplifies the onboarding process from a firm's perspective AND the client gets the benefit of an account number structure that works effectively for their business.

Unfortunately, a significant number of professionals do not know about the easy way to clean up account numbers while preserving transactional detail in QuickBooks using the Excel export feature. This feature has been in the product for years, and it allows the user to change account numbers and then re-import them into QuickBooks. When questioned, accounting professionals rarely know about the feature, much less how to use it. This becomes more of an issue when the firm creates reports or performs compilations, reviews or audits using these QuickBooks files because of the complications of mapping the client data to programs like Engagement CS, CCH Engagement or CaseWare. Business tax returns can be prepared more quickly when chart of account mapping is done properly. Useful reporting and meaningful dashboards are easier to create with consistent and proper chart of account setup.

A TRADITIONAL LEARNING MODEL SAYS THAT LEARNERS USE THREE MODALITIES: VISUAL, AUDITORY OR KINESTHETIC (PHYSICAL, HANDS-ON) METHODS.

Unfortunately, every product we encounter has a learning curve. Some of us learn quickly, some more slowly, and learners have different learning styles.

According to the book, *Teaching Students Through Their Individual Learning Styles: A Practical Approach*, by Rita and Kenneth Dunn, learners use three modalities: visual, auditory or kinesthetic (physical, hands-on) methods. It is

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best to teach to the student's learning method, and in most situations you have a mix of learning styles. Accountants tend to be more kinesthetic than the majority of the population. Consider how your firm offers training, and work on creating content that addresses each team member's learning style.

Who is doing innovative work for accounting firms? The good news is that a number of providers have content that can be helpful. Boomer Consulting has their Learning Advantage (www.boomer.com/?traininglearning) and and CPE courses are available through your state CPA society. Custom on-site CPE courses are offered through K2 Enterprises (www.k2e.com/training/on-site-training) in addition to other worthy technology training providers. It is our belief that the money spent on good training comes back within 60 days, and continues to pay off forever.

An appropriate training strategy for IT technical staff is another concern. One of the more expensive and neglected areas of training is for upgrading your IT team's skill set. Today, having expertise in Microsoft Server 2012, Microsoft Active Directory, Microsoft SQL, VMware, Citrix, Storage Area Network maintenance, firewall and wireless configuration as well as appropriate switch setup knowledge such as trunking and segmentation would be minimal infrastructure skill sets. Having application knowledge in Microsoft Office, Adobe Acrobat, SQL Reporting Services, Mobile Device Management, PCI, and your specific applications would be a definite bonus. Sources for one-on-one in-house training include NMGI (www.nmgi.com/services/business-it-consulting) and for classroom training we suggest Global Knowledge (www.globalknowledge.com).

Interacting with other technicians promotes the correct way to complete tasks, not the "book" or "test" way. Online or self-study courses are minimally effective for applicable knowledge in IT. For IT technicians, we prefer that they obtain and maintain certifications, but this does not guarantee that they can complete their tasks knowledgeably. The same applies for IT contractors. Unfortunately, unless you have good IT expertise yourself, you will not be able to discern the skill level of your internal or external IT teams.

> "ONE OF THE MORE EXPENSIVE AND NEGLECTED AREAS OF TRAINING IS FOR UPGRADING YOUR IT TEAM'S SKILL SET."

And of course, it could almost go without saying that appropriate client service skills, phone etiquette, cross selling knowledge, security practices and general business expertise are needed by most people in a professional organization. Don't overlook training opportunities for these skills as well.

Be consistent

Make a management commitment to fund training on a consistent basis. Build a plan, teach firm-centric content and record the content on video or with technical products like Camtasia to build a knowledge base library, test for completion, and revise your plan at least annually. Most firms report that they don't notice the results from training initially although changes are taking place in the organization. With consistent attention to training, the culture and productivity changes in subtle ways for the good.

Eventually, your entire team's expertise level rises…a rising tide lifts all boats. You will find yourself with new opportunities because your entire team's skills are better and work is getting completed more quickly and more accurately with less effort. And isn't that a great outcome? ●

By Roman H. Kepczyk, CPA.CITP

LEAN up your Firm's Tax Season Debriefing

Another busy season is under our belts and one of the most productive things a firm can do in the next few weeks is to take time to formally debrief the past few months, acknowledging what worked well and identifying where there were bottlenecks that could be improved upon.

The summer months provide time to explore solutions by reviewing accounting vendor options, networking with peer firms, and attending conferences where these solutions are discussed, but these efforts should be made with a concise, prioritized plan focused on the key areas where the firm wants to improve.

Roman H. Kepczyk, CPA.CITP and Lean Six Sigma Black Belt is Director of Consulting for Xcentric, LLC and works exclusively with accounting firms to optimize their internal production workflows within their tax, audit, client services and administrative areas. His Quantum of Paperless Guide (Amazon.com) has been updated for 2014 with the latest AAA paperless benchmark statistics and outlines 32 digital best practices all accounting firm partners need to understand today. roman.kepczyk@cpapracticeadvisor.com

In addition to the traditional exploratory process of walking through each tax production step, we suggest you take into account the additional Lean Six Sigma tact of asking, "Why the process step is actually being done and how does it add value from the *client's* perspective?" Focusing on those areas where the client's experience is improved often provides the greatest return on any proposed change, particularly as many digital processes actually reduce direct client interactions.

Areas where there is no obvious value added or reasons for a step to be done open up the discussion for pursing alternative processes and solutions. Below we define seven areas where you should question your processes and where technology and taking a LEAN approach can improve your firm processes, as well as your client interactions this extension season.

SOURCE DOCUMENT ACCUMULATION

What is the firm's process to get all of a client's data accumulated in one place and is it the most convenient method for the client? With today's portals and secured email solutions, firms should be educating clients on how they can deliver scanned documents electronically and almost instantaneously instead of taking the time to drive to the firm or place the documents in the mail. Most business clients have access to a scanner within their office and are finding the use of PDFs and digital delivery more convenient to them as well.

Many of today's entrepreneurial clients and the children of existing business owners (who may someday become clients) prefer to do all work digitally on their tablets or smartphones, so the firm should be proactively promoting digital solutions, particularly those that are integrated into the firm's tax processing, document management, and portal applications. For clients that physically deliver documents, centralized scanners for production scanning and desktop scanner access for preparers are a must.

STANDARD CLIENT FILE ORGANIZATION/ANNOTATION

Most clients don't care how their source documents are organized, so the firm should ask, "What is the most effective way to organize data for firm production?" The obvious answer is to have all firm tax files organized in the exact same "firm standard" format so that everyone can organize and append files, and so everyone knows where to look at the source documents onscreen, as they have all been trained on it.

The automated tools such as CCH FxScan, TR Source Document Scanning, Copanion GruntWorx, and SurePrep, not only force this standardized organization, but they can import the information from the most commonly recognized client tax forms directly into the firm's tax program. This saves time in both the preparation and review process. Standardized annotation tools such as CCH PDFlyer, Tick Tie and Calculate, XCM Toolbar, and Adobe Acrobat also add efficiency to the tax process as personnel can work and review at their convenience as long as they have digital access to a file. This opens the opportunity for remote review and secure review on devices such as a home computer or tablets.

DUE DATE TRACKING

When clients call in to ask the status of their returns, how easy is it to give them that information? Utilizing individual spreadsheets and standalone tools creates redundant data being tracked and doesn't always provide everyone access to the most current information, so the response to the client can be an outdated answer or even delayed until the employee has access to that list. Utilizing a workflow tool (XCM, CCH Workstream, TR Firm Flow) or projects in practice management allows the employee access to that data immediately on his or her computer screen, including the status and providing notifications of approaching deadlines with warnings so they can't be missed. With the right infrastructure, this information can be viewed on a tablet or smartphone so updating clients can be done at their convenience.

RETURN PREPARATION

Often, clients have no idea who is preparing their return so it is more important that the return be stratified by complexity, managed effectively with other returns in process, and routed to the appropriate level person. This can be done more effectively with any of the workflow/project tools mentioned previously than with individual manually updated spreadsheets. By utilizing firm standard organization/annotation tools and having an appropriate number of monitors to view all necessary data, personnel can be trained to optimally prepare a return onscreen to a single firm standard.

One area that clients do care about is the accuracy of the data in their return. Having the preparer trained on how to verify the data that has been input, by completing a verification routine and checklist of most common reviewer corrections builds quality control into the preparation process that reduces the amount of rework at the reviewer level (so returns are completed at a lower cost).

RETURN REVIEW

The tax return review process is often one of the firm's biggest bottlenecks holding up the completion of tax returns. Firms need to ask themselves the question as to whether the client really cares if a specific person reviews their return out of tradition, or if there are other personnel that can do so at an appropriate level or area of expertise. As mentioned previously, most returns can be stratified by complexity before busy season and put on a pre-determined workflow path to be routed to a specific person or tax return pool-level which can also warn management if any person becomes overloaded. Simpler returns can be reviewed and finalized by a senior or manager, relieving some of the stress on reviewing partners, and in the end, completing the return at a higher margin.

ORGANIZER/RETURN/INVOICE DELIVERY

While every firm has some clients without email addresses or access to the Internet, this number is continually shrinking. As both business and individual clients are becoming increasingly mobile, firms today should be proactive in promoting digital options for delivery of tax work which are most convenient to the client, and then letting the client decide how they want to work with your firm. From a LEAN perspective, using secure, automated, digital processes that all firm personnel have been trained on is the most effective way to service clients.

COMMUNICATING WITH CLIENTS/ PERSONNEL

Many firms forget to ask: "Do your personnel know how clients want to communicate with your personnel and how firm personnel communicate amongst themselves?" While telephone and email were primary communication means for traditional clients, many technologically astute personnel and clients prefer texting, instant chatting, and even video calling (Skype, FaceTime). Having all your personnel trained on using these different media and documenting each person's preferred communication method in the client's contact file will ensure communications get through (and be sure to incorporate those methods for employees also!).

Annual tax debriefings can provide a wonderful opportunity to improve the firm's production processes. As you go through the process this year, make it even better and more effective by prioritizing those items that will make it easier for your clients to work with your firm and take the time to dive into "why" you are doing things and whether there are digital tools that have replaced that process.

By Jeff Davidson

Work Life Balance Issues

THE INTERNET

It seems that more and more, we use the internet for everything. Tax research, the latest FASB and IRS announcements, portals and document sharing with our clients, creating company websites, attending webinars, answers to all of our questions, directions, restaurant reviews, tracking our physical activity and our sleep, shopping, connecting with friends… you know – the list is endless.

Could it be possible that we spend too much time on the internet? Does our Internet activity help our work-life balance, or does it do more harm than good? This month's contribution from Work-Life Balance Expert Jeff Davidson provides an overview of the amount of time we spend online. It might be time to take a step back and consider whether this online time is adding to or interfering with your work-life balance.

Percentage of all adults using the internet:

77%

us.census.gov

Between 2000 and 2012, internet use worldwide increased by

566.4%

Neilson online

BY THE NUMBERS

Worldwide, approximately

2.4 BILLION

people use the internet.

Nielson Online

31%

of companies ban visiting social media sites at work.

Robert Half Technology Survey

The typical Facebook user spends about **6.75 hours** *per month on the site.*

The typical Pinterest user spends about **1.5 hours** *per month on the site.*

mashable.com

Since 1986, the world's capacity for computing, sharing, and storing information has grown by at least 23% EACH YEAR

Science Magazine

96% of college graduates use the internet,

compared to only

59% of people without a high school diploma.

PEW

The average internet user visits **ninety-five** unique websites per month

Neilson

The average American spends roughly **32 HOURS** per month online.

go-gulf.com

Adults and Computer Use:

55% for making a purchase online

47% for banking online

71% for finding information

us.census.gov

MORE THAN ONE HALF

of U.S. citizens have a social media profile.

socialhabit.com

97 PERCENT

of teachers have at least one computer in their classrooms.

National Center for Education Statistics

By Jim Boomer, CPA.CITP

Get Intentional About Innovation in Your Firm

Quick! Think of an innovative business. Apple? Twitter? Google? Dropbox? eBay? Absolutely.

But your list probably didn't include many (if any) accounting groups, right? However, many firms in our profession *are* committed to innovation: innovation that leads to a new kind of success. Innovation and growth are directly linked, and it should be no surprise that the most successful accounting firms commit focus, time, energy, and money to innovative services, processes, and technology. These firms focus on what can be done tomorrow — rather than what must be done to pay the bills today.

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The Epiphany Fallacy

Innovation is not necessarily a momentary epiphany that comes to a venerable individual as many think, although it certainly can be. More likely, however, innovation represents a process of connecting the dots based on hindsight, insight, and foresight. In a 2005 Stanford speech, Steve Jobs offered, "You can't connect the dots looking forward." His point was, I believe, that if we think about innovation only in terms of the future, always looking forward for ideas, hoping they show themselves tomorrow, we miss a huge body of knowledge going forth from where we have been and where we are today.

My take is that we should be focusing on real innovation, embracing and entertaining substantive ideas that come from piecing together knowledge and issues from our past, our present, and our hoped-for future to create something new and improved to move forward.

The Maintenance Trap

Innovation requires an investment of time and money as well as a willingness to fail, or at least to make and perhaps to take a misstep to ultimately move on. These ideas may run contrary to what most accounting firms desire — low cost and low risk. But times are changing, and it might be time to think about changing it up, not to merely fall into the maintenance trap of what worked last year and the year before. Such a backward-looking plan might not be the best recipe for success in this economy, not the best path for growth and for moving your firm forward. Let me then suggest some simple steps to steer more focus to innovation:

- Dedicate time and money to innovation
- Communicate (with words and actions) that it is ok to fail, to stumble
- Separate innovation initiatives from maintenance projects

The Innovative Team

Just as innovation is not about an unexplained revelation that comes to us, it's also not about thinking in isolation. The most innovative ideas typically come in a collaborative environment made up of several people: self, team, peers, and experts. The thinking of the group is almost always more powerful and impactful than the thinking of any single individual. Darwin John, former FBI CIO, once said, "If two of you have the same opinion, then we don't need one of you." This comment represents an extreme, but it does highlight that real innovation requires multiple perspectives. Intersectional innovation is a term that describes collaboration between multiple disciplines to solve a problem or improve a solution.

In CPA firms, the two areas that have had the biggest impact on innovation over the last 20 years are firm administration and technology. These functions see the firm's operations from a macro level and are in the best position to break down silos and bring together functional areas for collaboration and innovative thinking.

CPA Innovations

While CPA firms probably won't always develop innovations that rival the likes of the iPhone/iPad or Google Glass in terms of hype, there is a long list of innovations that have transformed our profession over the years. And the firms that have been leaders in these areas have recognized an advantage and greater success. Here are just a few innovations that CPA firms are currently addressing:

- Technology—Automation, Digitization, etc.
- Services—Advisory Services/Trusted Business Advising, Forensic Accounting
- Firm Management—Corporate Governance Model, Value Billing
- Marketing—Specialization, Niche Marketing
- Processes—Lean Six Sigma

Promote Team Innovation

Getting intentional—being deliberate and willful—about promoting innovative thinking is the first step. So how do you do this? Several of the most innovative firms we work with have set up a formal avenue to collect new ideas from all areas of their firms, and they have rewarded individuals who contribute the "best ideas." We do this at Boomer Consulting, Inc. Every month, we offer a contest wherein our team members submit new thinking on how we can improve processes, systems, and services. Each month, we review submissions and select a winner who is recognized and receives a nice stipend and formal recognition. This system, a simple yet elegant one, has created a pipeline of new thinking, and several of the submitted ideas have already been implemented. The biggest challenge we have is keeping up with all the great ideas, which is a fabulous problem to have.

The next time you think you can't be innovative because "we're a CPA firm," think again. And then again. Leadership and a willingness to manage risk are a must. Take an intentional approach, and your firm can add "innovation" to your list of descriptors.

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