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# CPA Practice Advisor

EDITION

Today's Technology for Tomorrow's Firm

## EXPLORING THE TECH OF TOMORROW

### PRODUCT REVIEWS:

- Point-of-Sale Programs
- CRM Systems for Your Firm & Clients

**7 Critical Skills**  
of an Effective CIO

**Apps We Love**

**The Cost of a  
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March 2015  
VOLUME 25, NUMBER 2

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# CPA Practice Advisor

VOLUME 25, NUMBER 2

Today's Technology for Tomorrow's Firm

Photo Credit: Randy Johnston.



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# Thought Leader Symposium: The Annual Event that Keeps on Going

Once a year, CPA Practice Advisor and a group of key software vendors in the accounting space serve as host to the profession's think tank, the Thought Leader Symposium (TLS).

Approximately 30 participants from across the accounting profession gather in a two-day closed-door meeting to discuss and digest events that are occurring within the profession and affecting the way we do our jobs, with the goal trying to make a difference in this accounting world that we call home.

The event itself is well known and touted on various social media channels with the hashtag #CPAPATLS. The topics discussed are not immediately available for public consumption because, in the spirit of a think tank, this group is trying on ideas for size

and fit, testing and modeling them for each other in a secure environment, and then deciding what to send down the runway and bring out to the public in the year ahead.

Members of the thought leaders group are extraordinarily visible in the profession, having the collective ear of millions of accountants through writing, speaking, social media, and participation in associations and committees.

We will be digesting much of the information discussed at this year's meeting over the months ahead and sharing results of survey questions and concepts based on the conversations and events that occurred last month.

The vendors who participated in this year's event include Avalara, Intuit, Sage and Xero, four companies dedicated to innovation and improvement of the accounting profession. As sponsors of the event, they were able to collaborate with the thought leaders and gain insights from the experiences of the leaders to apply to their own plans for innovation in the years ahead.

## March Madness - CPA Style

Meanwhile, in addition to engaging in college basketball frenzy, March is known profession-wide as the time when CPAs, particularly tax accountants, start running out of steam as they head into the home stretch of busy

season. Things just got going in February, early March moved methodically enough, but late March hits and there are still several weeks of late nights and last minute changes.

That was before we had extension season which turned busy season into an all-year event. March is still extra busy, with a bit of seasonal madness thrown in for good measure. Here are a few quick tips for smooth sailing from now until the April 15 deadline.

• **Use a "Me First" approach and schedule business around your personal schedule.** That means you need to stick to your scheduled times for meals and sleeping and required family events. The busier you get with work, the more important this is. Skipping meals and sleep and missing events that are important to your family can cause stress and poor health, and that will impact your ability to do the best work possible.

• **Do at least one thing each day to ease the burden for a co-worker.** From grabbing a beverage for someone who is stuck at the desk to offering to help with part of an actual job, you'll most assuredly see positive results in the form of happier co-workers and a more productive environment.

• **Stop looking at email throughout the day.** It's difficult to keep your eye off of the email box, especially if there are certain people (like your boss) who expect you to reply immediately. So use the sound feature to play a certain sound (like the music from Jaws) when messages arrive from those people who demand quick attention, and then leave the rest of the messages for designated times you've set aside for replying to email messages. This will help you concentrate on the job(s) at hand. ●

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



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.

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# Understanding Your Firm's

# BRAND

It's not about logos, slogans, or packaging. It's about keeping promises.

By Chris Rund and Kristy Short, Ed.D

**Of all the assets your business owns, your brand is one of the most valuable and the most elusive. Without a strong brand identity, your firm is like a wallflower at the prom, sitting in the margins without a story or a voice to tell it.** But, unlike purchasing a piece of office equipment or technology, building your brand isn't done in a day, and it's far more intangible than many other aspects of growing your business. So intangible and elusive, in fact, that firm owners often struggle with grasping just what a brand is all about.

## What is a brand?

Ask a hundred people what a brand is, and chances are, you'll get a hundred different answers. In fact, it's practically easier to describe what a brand *isn't*. A brand isn't merely a logo. It's not a slogan, a motto, or tagline. It's not a signature

color, graphic style, or packaging. It's not a theme song or jingle. It's not any single one of these things. Your brand is shaped by all of these items, but the sum is far greater than the parts. Your brand is the big, ongoing impression you make to your world, whether you stand on a global stage or in a local spotlight.

David Bowie, a masterful businessman as well as a musician and pop culture icon, once observed, "Product plus personality equals brand." In other words, take Coca-Cola and Pepsi: From a product standpoint, they are practically identical—caramel-colored sugar water, admittedly with some subtle differentiation in taste. But wrap them in their respective personalities that have been developed over decades, and you see how powerful a strong brand really is.

Professor Philip Koetler of Northwestern University's Kellogg School of Management has a slightly different take on brands, observing, "If you're not a brand, you're a commodity." In other words, if you're not Coke or Pepsi or something equally powerful in the eyes of the consumer, you're just caramel-colored sugar water. The operative phrase being, "in the eyes of the consumer."

It's also important to understand that your brand doesn't exist on a shelf, in a store, in advertisements, or in cyberspace. It exists where client experience, perceptions, opinions, and attitudes intersect: inside the client's mind. As Peter Drucker observed, "Your brand is what you *own* in the mind of the consumer."

Author Marc Gobé fleshed out Drucker's observation by demonstrating that people's perceptions and beliefs

Your brand promise can be easily communicated in this formulaic sentence:

To (your target audience), my brand offers (your point of distinction among competitors), by doing/providing (reasons to believe).

Fill in the blanks in parentheses, and you're on your way to unifying your staff's understanding of your brand promise and building a stronger brand and business. One hint: when you con-

---

**ONE HINT: WHEN YOU CONSIDER YOUR TARGET AUDIENCE, DESCRIBE THEM IN TERMS OF THEIR NEEDS AND CONCERNS, RATHER THAN AGE, INCOME, AND OTHER DEMOGRAPHIC DESCRIPTORS.**

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about brands develop into a sort of emotional relationship. It begins with simple awareness, devoid of any value proposition, and progresses the more the consumer understands and interacts with the brand. The deepest level of relationship—brand loyalty—emerges when the brand earns trust with the consumer and is seen as consistently delivering and keeping its promise.

In other words, to build your brand, your brand has to make and keep promises. So, what does your brand promise? Can you state it clearly and concisely? Can your staff? If you don't all know what your brand promises, how will you be able, as a business, to deliver on that promise?

## Articulating your brand promise

Let's not reinvent the wheel. Instead, let's use the technique and format that is widely spoken in the business world.

Consider your target audience, describe them in terms of their needs and concerns, rather than age, income, and other demographic descriptors. Here's an example from a real-world brand, Boston Market restaurants:

"To busy people who care about eating well, yet must often serve meals prepared outside the home, Boston Market provides delicious, family-pleasing, home-style meals quickly and conveniently, by serving the kind of fresh, quality food that our customers would make themselves if they had the time, and by making our meals simple to order and bring home from one of our 450 neighborhood locations."

After you achieve clarity with the brand promise, make a critical assessment of how well you and your staff are delivering and keeping that promise, and identify ways to improve. To build a powerful brand, you should be living your brand promise every day. ●



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## REVIEW SECTIONS

## BASIC SYSTEM FUNCTIONS

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

## CORE ACCOUNTING CAPABILITIES

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

# Point-of-Sale Systems Help Small Retailers Automate Processes

By Mary Girsch-Bock

**W**hen I was still in high school, I worked at Woolworth's as a cashier. I remember being trained on the cash register, with training lasting most of the day. The cash register itself was fairly straightforward, but it was the cashier's responsibility to determine how much change a customer was due. Closing a shift was equally cumbersome, with cash counted out and balanced against a register tape.

Now let's fast forward to the point-of-sale systems available today. Even the most basic system is head and tails above that old cash register system. With millions of retail businesses operating in the United States today, and more small retail businesses started each year, it's no wonder that products continue to evolve in their quest to grab the attention of retailers.

I'm always surprised when I frequent a business and find they are still using the cash register system I learned years ago. But even a very small retail business would benefit from using modern point-of-sale software, which can process sales, track inventory levels, record employee time, and easily track sales activity, all of which take up a retail business owner's valuable time.

So where to begin? Like any other software, there are varying levels of functionality with any point-of-sale product. It's unlikely that the neighborhood coffee shop would use the same point-of-sale system that the big box retailer does. The good news is that it's easy for first time retailers or those who still use a cash register to automate for

the first time. Fortunately, many point-of-sale systems take these differing needs into account and offer a product that has been designed specifically for that particular industry.

Read the reviews below to see how they compared.

- CAM Commerce Retail STAR/Retail ICE
- Celerant Command Retail
- Cougar Mountain Denali
- Keystroke Advanced POS
- QuickBooks Point-of-Sale

**Related Content:**

- AccuPOS offers Integration with QuickBooks and Sage

Another reason the cash register is becoming obsolete is that the frequency of making purchases with cash has dropped to its lowest level ever. The majority of purchases today are made using debit or credit cards. And in an age of intense competition, many retailers have resorted to offering loyalty or discount cards to reward customers with special pricing and targeted sales offers. What about retailers with a large online shopping community? Many retailers do the majority of their sales online, and customers will never set foot inside a store. But they still need point-of-sale software.

This review looks at several distinct areas that should be considered when looking at point-of-sale software. These areas include:

**Basic System Functions** – We looked at basic system functionality such as ease of use, customization capabilities, and set up options. It also looks at available modules that integrate with the point-of-sale system.

**Specialized Features/Services** – This area covers everything from the availability of touch screen technology, e-commerce support options,

multiple tender options, tracking and monitoring of customer data, and whether the product contains the ability to set up and maintain loyalty and rewards programs.

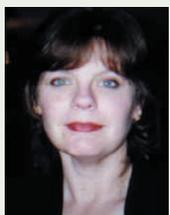
**Tracking/Reporting** – We reviewed the varying levels of reports that are available, including what reporting options are available with the system. We also looked at whether the system tracks things such as inventory levels, best and worst selling products, managing customer demographics, and whether there is an audit trail system available with the product.

**Integration/Import/Export** – In this area, we looked at the capability of the system to integrate with related products or third party applications. We also examined specific point-of-sale features such as integrated shipping options, various import and export capabilities, and what hardware peripherals the product works with.

**Help/Support** – While help and support is an important area for any niche software, perhaps it's most important for point-of-sale products. After all, if a store can't make a sale, it may as well close its doors. In this area, we look at help and support options available and the help features that are built into the system.

All of the systems we looked contained some level of back office functionality. We also completed a brief write-up on a product that offers strictly point-of-sale functionality, leaving the accounting and back end functionality to other applications.

While it's likely that the needs of your clients vary as much as the features, functionality and pricing of the products that we reviewed, only you and your clients can make the final decision as to which product is best suited for your respective individual needs. ●



**Mary Girsch-Bock**

Mary Girsch-Bock began her career as an accountant in the property management industry, later moving into the healthcare industry. She writes on business and

technology issues, and is the author of one book, several HR handbooks, training manuals and other publications. She can be reached at [mary.girschbock@cpapracticeadvisor.com](mailto:mary.girschbock@cpapracticeadvisor.com).

## CAM Commerce Retail STAR, Retail ICE

2015  
OVERALL  
RATING

5

### BEST FIT

An excellent fit for specialty retailers and those with a robust web presence, the additional of Retail STAR Lite allows small retail businesses with a single location to enjoy many of the features found in Retail STAR, including excellent customization capability.

### PRODUCT STRENGTHS

- Available in two versions; Lite for single locations, and Regular,

for larger retailers

- Excellent customization capability
- Modular design allows users to purchase the modules they need and add more later
- Complete e-commerce integration
- Excellent system customization capabilities for just about any type of retail business

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12047827](http://www.CPAPracticeAdvisor.com/12047827)

### POTENTIAL WEAKNESSES

- System requires a significant investment in both time and money
- No mid-level product

### SUMMARY & PRICING

Retail STAR is ideally suited for specialty retailers with more complex needs, but with the availability of Retail STAR Light, designed for single locations with one or two users, even smaller retailers can

benefit from this comprehensive product. Retail STAR Light is \$100.00 per month for a single user. Pricing for Retail STAR is customized for each retailer, and is available directly from Retail STAR.

[www.CAMCommerce.com](http://www.CAMCommerce.com)

## Celerant Command Retail Point-of-Sale

2015  
OVERALL  
RATING

5

### BEST

FitCommand Retail is ideally suited to larger retail businesses with multiple locations that have move complex needs such as e-commerce integration.

### STRENGTHS

- Excellent system customization capability

- Easily manages e-commerce sales activity
- Excellent customer management capability
- Manages multiple locations and multiple warehouses easily

### POTENTIAL LIMITATIONS

- System setup and implementation could be time-consuming

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12047796](http://www.CPAPracticeAdvisor.com/12047796)

- Enterprise level capabilities and pricing could make product unsuitable for small or single location retailers

### SUMMARY & PRICING

Command Retail from Celerant Technology starts at around \$12,000. But for those with multiple locations and an strong

e-commerce component, Command Retail can offer the level of detail needed to manage multiple store locations properly.

[www.Celerant.com](http://www.Celerant.com)

## Cougar Mountain Denali Point-of-Sale

2015  
OVERALL  
RATING

4.75

### BEST FIT

Traditionally best suited for smaller retail shops, with the addition of three versions, Denali Point of Sale can prove to be a good fit with specialty retailers of just about any size.

### STRENGTHS

- Excellent system customization capability

### STRENGTHS

- Scalable product with ability to add modules as needed
- Solid reporting options
- Easy to navigate user interface
- Solid management tools

### POTENTIAL LIMITATIONS

- System setup and implementation could be time-consuming

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12047808](http://www.CPAPracticeAdvisor.com/12047808)

### POTENTIAL WEAKNESSES

- Not well-suited for processing large numbers transactions

### SUMMARY & PRICING

Denali is a scalable point of sale product that can be used in both

single-user and multi-store environments, with users able to add modules as needed. Pricing is by edition, with Basecamp starting at \$1,999.00 for a single user system.

[www.CougarMtn.com](http://www.CougarMtn.com)

## Keystroke Advanced POS

2015  
OVERALL  
RATING

4.5

### BEST FIT

Keystroke offers high level inventory and multi-location management capability, making it a good choice for larger retailers or specialty markets.

### STRENGTHS

- Easy system navigation

- Contains warehouse management and distribution management capability
- Excellent customization capability
- Multi-store support

### POTENTIAL WEAKNESSES

- Limited customer tracking options

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12047820](http://www.CPAPracticeAdvisor.com/12047820)

- Limited loyalty and rewards program functionality

### SUMMARY & PRICING

Pricing for Keystroke Advanced POS starts at around \$2,000, with add-on modules extra. An excellent fit for mid-sized retailers that require strong inventory management capability, as well as those that

process high levels of transaction daily, Keystroke Advanced is available through authorized dealers throughout the U.S. For those with fewer transactions and more basic needs, Keystroke POS may be a better option.

[www.KeystrokePOS.com](http://www.KeystrokePOS.com)

## QuickBooks Point-of-Sale

2015  
OVERALL  
RATING

4.5

### BEST FIT

Already used by millions of businesses across the country, QuickBooks continues to make itself relevant and necessary in the small business community. With the release of QuickBooks Point-of-Sale 2015, they continue that trend, appealing to small and mid-sized retailers looking for program that is easy to set up and easy to use.

Available in three editions; Basic, Pro, and Multi-Store, QuickBooks

Point-of-Sale 2015 is suitable for retailers with up to 20 locations.

### STRENGTHS

- Suitable for very small to multi-location retailers
- Available in both desktop and cloud-based versions
- Affordably priced with users able to scale up to the next version if necessary
- Easy system setup and easy system navigation

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12047824](http://www.CPAPracticeAdvisor.com/12047824)

### POTENTIAL WEAKNESSES

- Not well suited for a high-transaction processing business
- Telephone support is not encouraged

three distinct editions, with users able to choose from three editions, Basic – which runs \$1,499.95, Pro, which runs \$1,999.95, and Multi-Store, which runs \$2,199.95.

### SUMMARY & PRICING

QuickBooks Point-of-Sale 2013 can be used as a stand-alone system, or integrated with QuickBooks financial products for front/back office capability. QuickBooks Point-of-Sale 2015 is available in

[www.QuickBooks.com](http://www.QuickBooks.com)

## AccuPOS Point-of-Sale Software

AccuPOS is a stand-alone point-of-sale product optimally designed for the retail and restaurant industry. Designed to integrate with QuickBooks financial products, as well as all Sage accounting software products, AccuPOS offers numerous bundles of point-of-sale products suitable for retailers small and large.

At this time, AccuPOS works only on PC or Android devices and does not work on any Apple products.

Because of its seamless integration with third-party accounting applications, AccuPOS is strictly a POS system, with some supporting functions. The majority of back end management will be completed using third party accounting applications.

Available in five different versions (Basic, Pro, Gold, Platinum and Elite), AccuPOS is a scalable product that can easily grow along with a retail establishment. An easy-to-use interface simplifies system navigation, even for those new to the product. Fully customizable, AccuPOS provides the option to create an interface that suits a user's needs. New terminals, users and even locations can be added at any time.

Designed to be used in both retail establishments and restaurants, the system is custom-designed for each business, so the product purchased for a convenience store would vary from the product sold to the upscale diner down the street. For mobile users, AccuPOS now offers a point-of-sale app that can be installed on any Android device; turning a tablet into a functioning point of sale device.

The latest version of AccuPOS offers several product enhancements and updates including:

- Built-in Easy Setup Wizard which makes system setup and maintenance easier than ever.
- Multi-Location Management – Now users can use AccuPOS in multiple locations with a single system login.
- Software as a Service – Users can now access AccuPOS as a SaaS.

Because AccuPOS was designed to utilize touchscreen technology, it's easy to customize the interface to suit user needs. Users can choose from up to 15 different tender types, and cashiers can easily process multiple tender types for a single transaction including cash, check, credit, debit, EBT, gift card, and credit on account. Users can preset buttons with specific tender amounts to expedite checkout, and users can easily process returns, exchanges, and voids from the same user interface screen.

Users can also create custom coupons for customers based on purchasing history (loyalty and rewards) or simply give a standard discount for a purchase.

AccuPOS offers point-of-sale bundles for both retailers and restaurant establishments. The POS station includes AccuPOS software, along with a Touchscreen PC, Heavy Duty Cash Drawer, Thermal Receipt Printer, and Magnetic Card Reader. Users can also choose from additional hardware peripherals such as Barcode Scanners, and the AccuLINK Accounting Adapter, which links AccuPOS with QuickBooks or Sage Financial products. The restaurant version come with a Basic Food Service Station with Kitchen Printer includes the same options as those above, along with a Kitchen Printing module and a Kitchen Thermal Printer. Users can also choose

to purchase the software only, which come in 1-4 station bundles. The restaurant version also allows managers to create a custom layout of their restaurant, further automating the ordering process.

The AccuCOUNT Inventory system allows users to quickly receive inventory and later link totals to their accounting system. AccuSHIFT Time and Attendance provides employees with a secure way to log in and log out of the system.

AccuPOS allows retailers and restaurants to operate as many terminals as they desire, and the POS system can be installed on a separate computer than the business accounting software.

The Online Web Reports offers a selection of management reports that are easily accessed from any location with Internet access.

Support is one of the most important things to look at when considering purchasing a POS system, and AccuPOS offers users various support options including unlimited e-mail support and 24/7 emergency after hours support. Regular support hours are Monday through Friday 7AM to 1AM Central Time, and Saturday and Sunday 7AM to 5PM Central Time.

Telephone and remote desktop access training is available, and AccuPOS provides new users with access to training videos as well.

An excellent choice for QuickBooks and Sage accounting software users looking to update or add a new POS product, AccuPOS offers potential clients a free demo download so be sure to visit their website and try it out for yourself.

## Restaurant and Retail Store Finders

By Gail Perry, CPA, Editor-in-Chief

**W**e live in an app-based world that not only affects our business lives, but also many social aspects, such as finding good restaurants, going on road trips and shopping. There are many options available, of course, so we asked some of CPA Practice Advisor's contributors, Thought Leaders, and award winners for recommendations of their favorite apps and have added a few of our own. Which apps do you love?



**Jim Boomer**, CPA, CITP, CIO of Boomer Consulting, says he uses **OPEN-TABLE** when he's looking for a restaurant. "It's easy to search for and find restaurants as well as make reservations directly from within the app." You can also earn points when you make reservations online and receive coupons to use on future restaurant outings.

**Barrett Young**, CPA, founding member of The Green Abacus goes to **YELP** when he's looking for a



restaurant. "Yelp has the best database of local reviews, and a Yelp restaurant with less than a 3.5 star rating isn't worth your time." Note: Yelp is not just for restaurants – you can find almost any kind of local business on Yelp.

**Jim Boomer** also likes **URBANSPOON**. "When we can't decide what we're in the mood to eat, simply give this app a spin and it will make some recommendations. Urbanspoon is not only useful in finding the perfect place to eat but also makes the process into a game." You can also filter your Urbanspoon search by geographic location, type of food, and price point.



### We also love:

**About.com's** Tech group recommends **ZAGAT TO GO**, calling it the king of restaurant reviews. Not all cities are covered, so check to see if yours is there before downloading.



**Thinslices.com** recently picked **WALGREENS** as the top retail mobile app. Send photos to print at your



nearby store, download coupons, refill prescriptions, get reminders to take medications, and earn points for doing healthy activities.

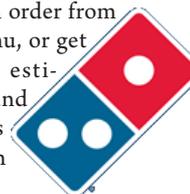


**Forbes** magazine likes the **CVS** app which is similar to the Walgreens app. Preview store inventory and even shop online to save yourself a trip. Use the app to find a clinic, and keep track of your special deals and rewards.

**TotalCustomer.org** says that the **NORDSTROM** app is the leading retail app for access to catalogs, online shopping, excellent customer service, and information on in-store events.



**CNET.com** gave top honors to the Domino's app, **DOM**, which lets you place orders for delivery or carry-out. You can order from the Domino's menu, or get instant access to estimated wait time and can see the progress of your order with the Pizza Tracker!



**Appadvice.com** gives high marks to **CRASHSPACE**, an app that lets you upload pictures of your damaged auto and then it sends out the information to repair shops near you who will bid on your repairs.



Want to compare prices before you go to the store? **Fox News** recommends **SHOPSAVVY**. Scan the barcode of an item you want to buy and ShopSavvy will compare prices at local stores and also online retailers so you get the best deal.



**Gail Perry**, Editor-in-Chief of CPA Practice Advisor, uses **GAS-BUDDY** to find the lowest prices on gas as well as a map to show how to get to the stations. ●

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# Promising Accounting Technology from

**M**any consultants to the profession attend the annual Consumer Electronic Show (CES) to look for the latest gadgets and gizmos for themselves and their clients. The 2015 version of the show didn't receive enough coverage when it comes to useful business tools for accounting professionals, although there was frantic reporting on other consumer electronics.

The 8K glassless 3D television units were magnificent to see, but until content is readily available, we'll have to put off purchasing one for another year or two. Likewise, the Android speaking robot from Toshiba, ChihiraAico, was amazing to watch, but also somewhat creepy since the facial expressions moved so accurately during speech and singing. Some of the business

products discussed in this article will be available now, and some have a much longer road map and delivery time. However, quite a few of the items released will affect what should be purchased as tax season comes to a close.

## So What Are The Most Important New Tools?

Computer vendors are confused about viable places to show their new products. It is clear that press releases, web sites and consumer electronic stores are not sufficient at getting new product information out. Further, there is nothing quite like seeing and touching products to get an initial reaction on how they might work in your firm.

CES 2015 contained a notable number of new products that would change purchase decisions this year over last. Included are:

- New generation curved monitors from HP, Samsung, Toshiba, LG and others. One of these could potentially reduce a three monitor setup to one, taking less space on your desk and giving a better image to work with.
- Higher resolution monitors, including 5K, were shown. Software and hardware should be supporting these larger layout monitors this year, giving a full 4K image while surrounding the



image with tool bars such as PDFlyer or Tic, Tie and Calculate.

- Display adapters supporting up to 5K resolutions. These become important to buyers of laptops and other portable units like the Microsoft Surface. The demonstration unit running a 5K monitor from a Surface performed brilliantly.
- Docking stations with 4K resolutions from companies like DisplayLink, Targus, Lenovo, IOGear and others. It was too early to purchase these products in 2014, but at this point most of the bugs, driver updates, operating systems and application support have been worked out. You could choose a 4K monitor strategy instead of a 5K approach.
- New laptops from every notable vendor including HP, Lenovo,

products become available, all products released in 2014 and before are less attractive as primary units for an accounting firm.

- Improved scanners for both the desktop and portable use by auditors. Canon was the clear winner with new products shown at CES including the desktop DR-160II, which has both TWAIN and VRS software included as well as the portable P-215II.
- Faster solid state drives. As noted above, both HP with their Z-Wave technology and Toshiba introduced notable improvements in speed in Solid State Drives. Toshiba also showed smaller format SSD units.
- Better removable hard drive technologies. Lacie Rugged RAID, Samsung's 1TB USB3 SSD, and the Synology NAS vendors were all big



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A variety of new technologies were on display at CES 2015.

Toshiba, and others. The new generation laptops are more serviceable, and have new SSD drives that are twice the speed of SSD drives from 2014 and before. Some models have touch screen and 10 key pads built into the units. As these new generation

winners with their new offerings.

- Smart capture boards for meeting rooms, such as Smart Kapp. Available in both flip chart and marker board sizes, this vendor has an application that allows what is on the marker board to be captured on a tablet like

the iPad. This product is a reasonably priced addition to meeting rooms.

We did not find any notable changes in keyboards, mice and laser printing. However, new technologies introduced that will be useful in 2016 and beyond include:

- 5G cellular, currently scheduled for delivery in 2020 with speeds of 4.7GB, replacing 3G and 4G.
- AW4P wireless power with the capability of charging cell phones, tablets, computer and automobiles.
- Micro projectors and wall mount projectors in the style of soundbars from companies like LG.
- IoT continues to be a risk area with more connected home devices, the consumerization of office technology, and no clear standard emerging in smart home technologies (Zigbee, Z-Wave, etc.) Z-Wave claims to have 1200 companies participating in their standard.
- Near Field Communications (NFC) was common primarily due to payment vendors.
- 3D printing improvements, including

IF YOU PICK THE RIGHT TECHNOLOGY, YOU WILL HELP YOUR TEAM MEMBERS DO BETTER WORK IN LESS TIME AND WITH GREATER COMFORT FOR YOUR CLIENTS.

- the ability to print food like cookies makes this technology more viable for your clients.
- 3D computers, including both the Sprout from HP, available now, and a prototype 3D product that made manipulating items with a stylus or simply by moving your head while wearing special glasses with sensors exceptionally realistic and easy (pictured).
- Zuta pocket printer, which is about the size of a hockey puck, and can print standard size pages.
- Noise cancelling technology for offices, much like we have had in headsets, should be a superior solution than white noise.
- Home grade LED floodlights with a

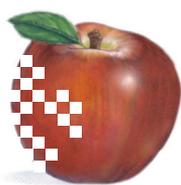
built-in 720p camera for security purposes allows us to light and record wirelessly any motion detected.

If you note the first list above, just about everything related to your computers except the keyboard and mouse has improvements in 2015. This progress in hardware will be welcomed, particularly since many firms put off purchasing new desktops and laptops waiting for the release of Windows 10 this year. There will be plenty of new, faster hardware and superior displays to run our applications better. Notably, the price of new generation technology will be about the same as older, slower technologies.

**Better Results for Team Members and Clients Alike**

CES 2015 demonstrated that advances in computer hardware are far from done. Yes, there were new consumer items with smartphones, tablets and televisions, but there were far more impressive business tools shown if you looked in the right place.

Although there was less wow and sizzle than has been seen with some versions of this show in the past, the amount of new technology on display that should be used in your accounting firm is impressive and important. Take the effort to research the computers, monitors and supporting peripherals that you purchase this year. It is clear that almost every item normally purchased has been changed for the better. If you pick the right items, you will help your team members do better work in less time and with greater comfort for your clients. ●



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# Intuit Prepares Accountants for ACA Provisions

**It's the height of tax season and the Affordable Care Act is on everyone's mind as they try to figure out what it means for their taxes. For many Intuit customers and their clients, there's help.**

The financial solution provider has updated its Lacerte, ProSeries and Intuit Tax Online professional tax products to address ACA compliance. This comes right on time for the estimated 147 million taxpayers expected to file this year.

The U.S. government estimates that 94 million people are covered under some sort of health insurance plan, which means they or their accountant won't have to worry about penalties, exemptions or the premium tax credit. However, for the other 36 percent of taxpayers, filing taxes this year could get confusing.

To ensure compliance with the

ACA, accountants will need to file new forms for their clients. Under the ACA, there are Forms 1095-A, 1095-B, 1095-C, 8962 and 8965. Form 1094-A will be sent to anyone who purchased healthcare coverage from the marketplace. Forms 1095-B and 1095-C are optional this year and will come from the taxpayer's insurance provider and employer, respectively. All three forms will be mandatory to file for tax year 2015.

"Accountants need to discuss with their clients whether they are covered and then do due diligence to verify that coverage," said Michael D'Avolio, CPA, Senior Tax Analyst,

Intuit's Professional Tax Group. "What will need to be filed will vary depending on the taxpayer's status and circumstances."

Accountants should work with their individual taxpayer clients to ensure they have received the proper forms from either their employer, insurance provider or the healthcare marketplace. Taxpayers can use their insurance policy or Form W-2 as proof of insurance if they need to verify their coverage.

Once accountants have the necessary forms from clients, they are ready to file for tax year 2014, with plenty of help from Intuit. Intuit's Lacerte, ProSeries, Intuit Tax Online products provide complete functionality for the new credit, penalty and exemptions. All three products have been updated with new questions and fields so tax preparers can ensure they are asking their clients the right questions in relation to the ACA. In addition, the screens are also patterned after the ACA source documents and feature interactive guides to direct users through completing the forms.

ProSeries has a new feature called "Explainable Calculations" that explains how certain ACA-related amounts were determined. Each of these fields will be highlighted in blue and the system will take the preparer through the worksheet used for the calculation. Both Lacerte and ProSeries offer credit and penalty computation capabilities.

Intuit has created a very robust training resource for its customers. In addition to the updated features of Lacerte, ProSeries and Intuit Tax Online, the company also offered training and webinars for professionals. The training included product demonstrations and tax law updates. Intuit's ACA resource

website (<http://accountants.intuit.com/affordable-care-act/index.jsp>) features recorded versions of its training sessions and other resources that accountants can share with their clients. While the company has concluded webinars focusing on the individual taxpayer provisions of the ACA, it has plans to roll out additional webinars in the future focusing on the business provisions.

"As of this fall, less than 7 percent of accountants felt 'very prepared' for this tax season as a result of the ACA. Consequently, we felt it was important to help accountants be equipped for these conversations with their clients," said D'Avolio. "We've been adding quite a bit of training and tools to help these firms with ACA."

## The forms behind ACA:

- Form 1095-A, Health Insurance Marketplace Statement
- Form 1095-B, Health Coverage
- Form 1095-C, Employer Provided Health Insurance Offer and Coverage
- Form 8962, Premium Tax Credit. Taxpayers may be eligible for this credit if they purchase health insurance coverage from a marketplace and have a moderate to low income. Any advance payments received during the year are subtracted from the credit calculated on the tax return.
- Form 8965, Health Coverage Exemptions. Taxpayers that meet certain criteria are exempt from the individual shared responsibility provision and will not have to obtain coverage.
- The individual shared responsibility provision requires taxpayers and each family member to have qualifying health insurance, unless they have an exemption. Taxpayers who do not carry insurance and do not qualify for an exemption may be subject to a penalty when filing a federal income tax return. ●



# The Cost of a Bad Hire

## (It's Not Just Money) - And How to Avoid Bringing One on Board

By Paul McDonald

**M**aking a bad hire can be very expensive to organizations. In fact, research suggests ([www.blissassociates.com/html/articles/employee\\_turnover01.html](http://www.blissassociates.com/html/articles/employee_turnover01.html)) replacing an employee who doesn't work out can cost at least 150 percent of that worker's salary. Still, as expensive as that is, the financial hit isn't the worst part.

In a recent Robert Half survey, 39 percent of chief financial officers said the greatest cost of a bad hire is lower morale among the remaining staff. Following closely behind was reduced productivity (34 percent). Only one in four respondents cited money as the most significant loss.

Here's a closer look at how a bad hire can cost your organization, and what you can do to avoid making one.

### The cost of a bad hire on morale and productivity

As the saying goes, "One bad apple can spoil the bunch." There are several reasons new employees don't work out:

- Their work habits clash with the office culture, which throws a wrench in the normally smooth operation of your accounting team.
- They don't have all the skills you thought they had, which means assignments — preparing audit reports or financial statements, for example — take longer to complete and are not done as accurately as they should be.
- They have a weak work ethic. When other employees have to scramble to pick up the slack, they feel overloaded and resentful of the new hire.

Furthermore, your own productivity goes down — and stress goes

up — because you have to devote time and energy to disciplining bad hires, correcting their mistakes and placating other team members. A separate survey from Robert Half found managers spend almost a full day each week managing underperformers. Because you've made a poor hiring decision, your other staff may question your judgment and leadership.

### How to avoid hiring "bad apples"

Poor staffing decisions rarely happen by chance. They are usually the result of managers not investing the necessary time and effort into the hiring process. But due diligence is easier in theory than in practice.

Also, because there's a shortage of skilled talent, it's tempting to snatch up seemingly in-demand candidates before another firm does. Although you need to act with urgency in the hiring process, if you want to avoid the high cost of a bad hire, you can't take shortcuts.

Here are some tips for making good personnel decisions:

- **START WITH A SOLID JOB POSTING.** Collaborate with colleagues to create a clear job description, which will drive the job ad and, later, serve as the basis

for the new hire's performance review. Outline the technical skills, soft skills, education and certifications, years of experience, and specific industry knowledge you seek. Think hard about which particulars are required and which are preferred. You don't want to discourage candidates who have excellent technical abilities but are not experts in your company's business intelligence software, for example.

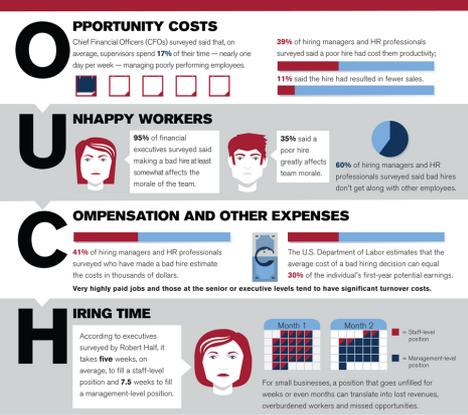
- **PRACTICE SMART RECRUITING.** In addition to posting on job boards, reach out to your staff, professional associations and local alumni organizations and ask whether they know of suitable candidates. A staffing agency can further accelerate recruiting and free up your time.

- **OFFER ATTRACTIVE COMPENSATION.** Consult industry resources such as the *Salary Guide* from Robert Half and your network contacts to benchmark compensation trends. Then put together a highly attractive compensation package. Keep in mind, in today's hiring environment, you'll often need to offer salaries that go beyond being competitive to secure the best candidates.

- **CHECK REFERENCES.** Ask finalists for a list of professionals who can attest to their abilities. Don't skip this step, which can shed light on applicant's employment history and suitability for the position, as well as how well they'll mesh with your firm's culture.

- **WORK WITH CANDIDATES ON AN INTERIM BASIS FIRST.** An increasingly popular and cost-effective hiring

### Ouch! THE SURPRISING COSTS OF A BAD HIRE



The bottom line? Bad hires can happen to even the best of companies, but there are ways to reduce the chances of getting burned. For advice and resources that can help take the pain out of hiring, visit [roberthalf.com/recruit](http://roberthalf.com/recruit).

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strategy is the temporary-to-hire model. Bringing in interim accountants can lessen the load on your existing staff and allow you to assess a candidate's skills and compatibility with your team in real time. If the candidate is a good fit for the position and your company, you can extend a full-time job offer.

When you make a poor staffing choice, you're not the only one who pays the price; your budget, staff and new employee also suffer. The best way to avoid the high cost of bad hires is to take the necessary steps at the front end of the hiring process. Once they join your staff, it will be much harder and more expensive to repair the damage to your organization. ●

Paul McDonald is senior executive director with Robert Half, the world's first and largest specialized staffing firm. Over the course of his 30-year career with the company, he has spoken extensively on employment and management issues based on his work with thousands of companies and job seekers.



## REVIEW SECTIONS

## BASIC SYSTEM FUNCTION

- Installation Simplicity
- General Navigation & Ease of Use
- Firm & User Customization
- Scalability
- Industry-Specific Features

## CORE CAPABILITIES

- User-Definable Interface
- Multi-Location Support
- Campaign Management
- Client Collaboration Tools
- Multiple Users

## DAY-TO-DAY OPERATIONS

- Remote & Mobile Access
- Customer/Vendor/Employee Management
- Customizable Notes/Data Fields
- Lead Generation/Marketing
- Follow-Up Tracking
- Remote Access

## MANAGEMENT FEATURES

- Dashboard Overviews
- Customizable Reporting
- Data & User Security Features
- Data Analysis Functions
- Two-Way Data Integration/Sync
- Billing & Invoicing Options
- Audit Trail

## HELP/SUPPORT

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



**John Higgins,  
CPA, CITP**

*John Higgins, CPA, CITP is a strategic technology advisor to accountants and tax preparers on*

*workflow automation, cloud accounting and other applications of technology to increase productivity and profitability.*

*His company, CPA Crossings LLC ([www.cpacrossings.com](http://www.cpacrossings.com)), has recently launched a new Cloud Accounting Learning Center.*

# Integration & Mobility Are Keys to Successful CRM

By John Higgins, CPA, CITP

**S**o you might be asking yourself, “What the heck is CRM and why should I be interested in it?” That is a perfectly legitimate question. Let me start by defining what it is and then discuss why you might want it. The CRM acronym actually refers to “Customer Relationship Management.” However, since we are all professionals serving clients, I always refer to it as “Client Relationship Management.” It can also legitimately represent “Contact Relationship Management.”

Whatever we choose to call it, the nature of a CRM system remains the same: To provide a central location to keep track of all communications activity with a customer, client or prospect, or anyone you do business with. Think about the tools you use to do that today: email, voice mail, notes, correspondence and other documents (hopefully in digital format.) Many CRM systems go well beyond just these types of content. Some of the more sophisticated systems also integrate with billing systems, practice management and other operational applications.

To repeat, the main objective is to have a single repository for all of your communications and activity. So why do you need it? The more appropriate question might be, “How much CRM do you need?” We all have CRM systems. The most basic is the old Rolodex file with your notes scribbled on the cards. Chances are you also have a little “black book” of sorts with contact information and notes for the people you do business with.

The most popular CRM system in use today is Microsoft Outlook, even though most people don’t think about it as a CRM system. That is why I felt it was important to include Outlook in



this review. I think the biggest mistake that organizations make when it comes to CRM is that they want it to be too much. By that I mean that management likes the idea of having every touch point with a client or prospect recorded for easy access. But that comes with a hefty price in terms of the effort that is required to populate the information. And once you have such an abundance of information to sift through, the truly important information gets lost in the pile.

Let me be clear, I am not negative on CRM systems, rather I want to make sure you go in with your eyes wide open and don’t try to make it be more than you need. If ever there was an application that demanded simplicity, CRM is it. So let me identify what I believe to be the most important attributes of a CRM system for accounting and tax practitioners.

- Simplicity
- Customizable
- Cloud based
- Direct integration with Outlook
- Direct integration with your practice management system
- Direct integration with MS Office applications

Let’s start with **simplicity**. We don’t need to make our work any more complicated and most of us don’t have a great deal of tolerance for having to learn an entirely new

application. So as you start looking at different CRM systems, the first question you should ask yourself; “Is the system intuitive and easy to use?” If the answer is no, move on to the next solution.

Is the system **Customizable or Configurable**? No two organizations want to track the same information the same way. In fact, it’s hard to find “two people” in an organization who have that agreed upon. So the system should allow management and users to tailor input screens to eliminate any data fields a user doesn’t need. Remember, the key is simplicity. You will also want to be able to add your own data fields that capture information important to your organization. For example, perhaps you want to add “Roundtrip Mileage” where you would simply enter the mileage to and from your office to theirs so that every time someone needs to make a mileage reimbursement entry on their expense form they don’t need to run a map program to calculate it.

I like and strongly believe in the value proposition of the cloud. When it comes to CRM, a **cloud-based** system offers a particularly compelling value proposition. You want access to important contact information wherever you are: office, home, traveling, etc. So a cloud-based system is going to give you that capability out of the

box. By their very nature, cloud-based systems work with all types of devices: laptop, tablet, smartphone and who knows what is next.

The emphasis on **integration with Outlook** is because much of the information you store in Outlook is what you would want in a CRM system. So you certainly don't want to have to enter the information twice. I'm not just referring to contact information stored in Outlook. You want to be able to link or move certain email messages and appointment information to the CRM system. CRM should be looked at as an extension of Outlook where you store and access the additional data that you cannot get from Outlook.

If you have a practice management (PM) system in place, the first question you should be asking is, "Can I get what I need from it?" The primary purpose of a

PM system is to manage all of your client WIP and billing activity, due date tracking, engagement management, contact information and more. In fact, if you have a PM system and are also using Outlook, chances are pretty good that you have 90 percent of what you need within those two systems. If you find that you are not able to get what you need from your PM system, then a CRM that directly **integrates with your practice management system** is pretty important.

One last key feature to look for is **direct integration with MS Office applications**. This can be extremely powerful because so many of the documents we create and work with originate in MS Word and Excel. Some examples include: proposals, engagement letters, correspondence, etc. Being able to link directly to these documents for access, while you are looking at a client

or contact's information, can be extremely helpful.

So let's take a look at what the market has to offer. *CPA Practice Advisor* examined five Customer Relationship Management systems. Follow the links below to see how they rated.

- **CCH iFirm Small Firm Manager**
- **Microsoft Outlook 365**
- **Office Tools Pro**
- **Results CRM**
- **Zoho CRM**

For each solution we review the simplicity of the interface, core product features / functions, customization options and integrations. ●

## CCH iFirm - Small Firm Manager

### BEST FIT

iFirm is actually a cloud-based practice management system for small firms. So it goes well beyond the typical scope of CRM. iFirm is a project / engagement centric application that can be used to manage a client engagement from beginning to end. iFirm fits best in small accounting practices that want a simple but comprehensive practice management system.

### STRENGTHS

- Cloud based for anytime, anywhere access via mobile devices
- Real time KPI dashboard to manage your firm
- Customizable contacts database
- Job / engagement customizable checklists

### POTENTIAL LIMITATIONS

- Features that make iFirm more than a basic CRM may be more than you need
- No direct integration / synchronization with Outlook
- No direct integration with MS Office

### SUMMARY & PRICING

Pricing is based on a per user annual subscription fee as follows; 1-3 users \$999, 4-6 users \$1,799, 7-10 users \$2,499. In addition, there is a required setup fee of \$199.

[www.CCHSFS.com](http://www.CCHSFS.com)

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12049110](http://www.CPAPracticeAdvisor.com/12049110)

## Microsoft Outlook 365

### BEST FIT

Office 365 is a good fit for virtually any accounting or tax practice, regardless of size. Even if you already have a comprehensive practice management system, you will probably want to have this application in place. Most of our readers already have MS Outlook on their desktop as their primary CRM system. The Office 365 version provides even more benefits.

### STRENGTHS

- The breadth of CRM features available when leveraging all of the Office 365 applications.
- Deep and direct integration with all of the MS Office applications: Excel, Word, OneNote, etc.
- Use of SharePoint Online application to share information with clients and contacts via the cloud.

### POTENTIAL LIMITATIONS

- No tax or accounting specific functionality or information tracking.

### SUMMARY & PRICING

The pricing model for Office 365 is based on a per-user, per month subscription. You can choose from a variety of packages that range from simply the core Outlook, People, and Calendar apps to complete packages that include SharePoint Online, website hosting and

licensed copies of MS Office for installation on your desktop or laptop PC. The base package is called Office 365 Business Essentials and is priced at \$5 per user per month. The premium package is priced Office 365 Business Premium and is priced at \$12.50 per month. If you are sole practitioner you may want to look into the Office 365 Personal subscription for \$6.99 per month.

[www.Microsoft.com/Outlook](http://www.Microsoft.com/Outlook)

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12049121](http://www.CPAPracticeAdvisor.com/12049121)

## Office Tools Professional

### BEST FIT

Office Tools Pro (OTP) is not just a CRM system; it is also a practice management, workflow and client portal solution. The nature of the OTP offering makes it a real good fit for firms ranging from sole practitioners to 50 user sites. OTP offers a nice bundle of integrated applications, with the client / contact database serving as the foundation.

### STRENGTHS

- Breadth of functionality to serve as a practice management solution
- Central contact database integrated with multiple applications
- Integrated client portal solution

### POTENTIAL LIMITATIONS

- Scope of functionality goes well beyond CRM, so it may be more than

you are looking for.

- Not initially designed as a cloud-based or browser-based application, but can be hosted.

### SUMMARY & PRICING

OTP's key feature is that integration of all of the applications included. The pricing for OTP is based on an annual subscription beginning at \$600 for a

single concurrent user. The Large Office package is priced at \$9,500 for 40 users, with many plans available in between the two. The online client portal application is priced based on your storage requirements: 5 GB = \$580, 15 GB = \$880 and 35 GB is \$1,200 annually.

[www.OfficeToolsPro.com](http://www.OfficeToolsPro.com)

Read the full review and see expanded ratings for this product online at: [www.CPAPracticeAdvisor.com/12049140](http://www.CPAPracticeAdvisor.com/12049140)

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## Reviews CRM SYSTEMS

### Results CRM

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/12049151](http://www.CPAPracticeAdvisor.com/12049151)

#### BEST FIT

Results CRM can fit very well in virtually any small business or accounting practice. If your organization uses QuickBooks, the integration is very deep and can really enhance your ability to maintain a good grip on all of your client or customer activity. If you want an integrated quoting, billing and collections management system, Results CRM will be even more valuable as your CRM solution.

#### STRENGTHS

- Integration with QuickBooks
- Integration with Outlook
- Integration with Constant Contact email marketing system
- Integration with SmartVault and ShareFile cloud based file storage solutions
- Comprehensive contact / client / customer information tracking

#### POTENTIAL LIMITATIONS

- Not cloud based, you will need to incur additional costs if you want cloud accessibility via a hosting company. Developer has planned release of cloud version in Q2, 2015.

#### SUMMARY & PRICING

This is a very comprehensive system that seems to have an endless database of information and an extended feature set. Results CRM offers three different subscription models: Standard is \$19, Professional is \$35 and Enterprise is \$49. All prices are based on a per-user, per month model. I suggest you visit their website for a detailed feature comparison of the three alternative plans.

[www.Results-Software.com](http://www.Results-Software.com)

### Zoho CRM

Read the full review and see expanded ratings for this product online at:  
[www.CPAPracticeAdvisor.com/12049175](http://www.CPAPracticeAdvisor.com/12049175)

#### BEST FIT

Zoho is a great solution for organizations that are serious about establishing a comprehensive process for tracking and managing all contact / client communications. The scope of features available with Zoho exceeds the needs of most organizations. Ideally, you can start with the basics and grow your way into the more advanced features.

#### STRENGTHS

- Cloud based
- Breadth of 16 integrated applications
- Extensive customization capability
- Flexible pricing models

#### SUMMARY & PRICING

Zoho is a very comprehensive, easy to use and relatively inexpensive solution. You have the flexibility to subscribe to as few or as many of the apps/features as you need, therefore, you can avoid under buying or over buying a solution that doesn't meet your needs. There are three basic pricing plans: Standard at \$5, Professional at \$10 and Enterprise at \$15. All prices are based on a per-user, per month subscription model. In addition, there is a multitude of add-on features and apps available. I recommend that you visit their website for a detailed comparison of the features provided with each of the pricing plans.

[www.Zoho.com](http://www.Zoho.com)

#### POTENTIAL LIMITATIONS

- The breadth of apps and features may be overwhelming

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**B**usinesses that sell goods, aka retailers, face many unique challenges that professional services businesses do not. One of the most complex can be managing their inventory, which requires learning a new language that includes LIFO, FIFO, COGs, ACOGs, SKUs, NOS, JIT and many more factors. At its core, however, managing inventory better comes down to three critical factors.

## How To Control Inventory Shrinkage

- Use electronic surveillance such as security mirrors, video cameras, micro tags
- Make spot checks of cash register drawers.
- Insert electronic tags in inventory items most prone to be surreptitiously removed.
- Make sure cashiers are well trained on all technology and keep the door open for them to discuss dissatisfaction with their jobs.
- Consider providing higher wages to attract a more dedicated group of employees.
- Take regular physical inventory counts and be aware of the precise amount of inventory shrinkage that exists in your company.
- Use personnel to perform physical inventory counts who are not the same people who would have access to removing inventory items.
- In a retail environment, make sure you have enough employees to monitor the actions of customers. Then, have procedures in place for reporting suspicious activity of customers.
- Consider a policy whereby no employee is left alone in the business premises.
- Have procedures in place to verify cash refunds.
- Perform reference checks on all employees.
- Use a point-of-sale computerized cash register system for tracking and updating inventory instantly.



## How to Use Manufacturing Leftovers

After a manufacturing job is completed, there are often some unused parts or materials left over. Those extra odds and ends can be difficult to account for in your inventory management records. Fishbowl CMO Kirk Tanner explains exactly what you can do with these manufacturing leftovers:

- **Return to Assets:** If you have extra nuts and bolts or other materials that are easy to use elsewhere, it's probably a good idea to save them and add them back into your inventory for later.
- **Expense:** If you have extra blocks of wood that were sawed off of larger beams, those may not be as useful and can likely be thrown away and expensed.
- **Add to Product Cost:** If you have items that were damaged during the manufacturing process or other things that are difficult or impossible to reuse, it might be a good idea to go ahead and add them to the cost of the product they were intended for. That will help you get a better idea of how much profit you can actually expect from each product.



## How to Take a Physical Inventory Count

For more detailed information on these steps, see [www.accountingtools.com/procedure-inventory-count](http://www.accountingtools.com/procedure-inventory-count).

- Order numbered count tags if they are to be used
- Preview inventory in advance to make sure it is ready to count
- Pre-count infrequently used inventory and seal
- Complete outstanding data entry transactions that affect inventory count
- Coordinate inventory count with all outside storage locations
- Freeze inventory activities
- Instruct personnel who will be conducting the count
- Issue count tags if you are using these
- Count inventory – if using tags, affix tag to each area as it is counted
- Verify all areas have been counted (and tagged, if applicable)
- Prepare report of inventory count
- Analyze report and investigate unusual results

## State Tax “Nexus” and Its Impact on Your Clients

By Alexander Korzhen

All business owners want to operate a successful and growing business. Accomplishing this growth often requires entering new markets in different states. While these new states can offer exciting growth opportunities, they can also create various new tax obligations for the business. Determining whether these states have a legal right to tax your out-of-state business depends on whether your business has “nexus” with the state.

### So, what exactly is Nexus?

For state tax purposes, the term “nexus” describes the amount and degree of business activity that must occur before a state can subject the company’s activities to income tax, and/or allow the state to require sales and use tax collection and remittance. The issue of nexus is complex because it involves the juxtaposition of constitutional law, federal and state judicial decisions, and state laws and regulations.

### Sales Tax Nexus

In the landmark case *Quill Corporation v. North Dakota*, the US Supreme Court held that for purposes of sales and use tax, nexus means having “more than de minimis” physical presence in the state. Because the Quill Court did not define “more than de minimis,” most states have taken an aggressive viewpoint when interpreting the meaning. Not surprisingly, this has led to confusion and inconsistency among the states as to the amount

and type of physical presence that gives rise to sales and use tax nexus. For example, some states will deem a company to have nexus if the only presence is an employee entering the state for a single day!

In general, the “more than a de minimis” physical presence standard can apply to either (or both) a company’s ownership of property (i.e., inventory) or personnel (i.e., employees and independent contractors) in a particular state. Most states do not provide any meaningful guidance as to the extent of the in-state physical presence required to create nexus. Absent a specific statutory rule, companies are left with interpreting a state’s administrative guidance and/or case law to make a nexus determination. Some states, however, have provided specific guidance depending on the type of property and/or activity conducted by the business in the given state. For example, certain states provide that employees attending in-state trade shows or conventions (without engaging in

**What is NEXUS?**

Generally speaking, “nexus” means a connection.

In relation to tax law, nexus occurs when a business has a “connection” to a state other than the one in which the business primarily resides.

For sales tax purposes, this connection could mean sales taking place:

- In person
- Through third parties
- Via the internet

**How do you know if nexus has been established?**

Tax obligations vary from state-to-state. Understanding multi-state filing responsibilities is critical. In order to determine if you have nexus in a state, a nexus study should be completed.

**A properly completed nexus study analyzes your unique business practices – looking at how business is generated through:**

- income
- franchise
- gross receipts
- business activity taxes
- sales and use taxes
- property taxes
- other transaction taxes

Eide Bailly works with clients to identify potential state tax filing requirements, and provides filing recommendations and strategies.

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selling activity) less than a certain amount of days a year should not create nexus for the out-of-state business (assuming such business has no other contact with the state).

### Income Tax Nexus

Since the *Quill* decision was specific to sales and use tax, there is a great deal of disagreement among the experts on whether the physical presence requirement applies to other state taxes, such as income tax. To no one’s surprise, most states say that the *Quill* decision is only applicable to sales and use taxes and, therefore, states may impose other tax types on businesses that don’t have physical presence in the state.

### Benefits of a Nexus Study

Tax obligations vary from state to state, so understanding multi-state filing responsibilities is critical. States have gotten more aggressive with non-conforming companies, especially in today’s uncertain economic climate. Being fiscally motivated, the States are desperate to fill their coffers in order to pay for the services they provide. Also being politically motivated, they attempt

to “export” the tax burden to out-of-state companies, who coincidentally, don’t get to vote in that state’s elections. Therefore, it is increasingly important for multi-state businesses to fully understand their state nexus “footprint.”

Nexus Studies analyze unique business practices while looking at how business is generated across the country. Depending on how a business is earning revenue, it might be subject to income, franchise, gross receipts, business activities taxes, and/or sales and use taxes (not to mention various registration responsibilities).

[Watch a video on understanding sales tax nexus.](#)

Alexander Korzhen, JD, MBA, is State & Local Tax Manager at Eide Bailly LLP. The firm’s State & Local team provides Nexus Studies that help identify the various state tax filing and registration requirements. We work with our clients to identify how various tax standards apply to their unique business, advise them as they grow, and provide filing recommendations and strategies. Visit [www.eidebailly.com](http://www.eidebailly.com) to learn more.

# SALT News - State Tax Amnesty Programs

By Gail Perry, CPA, Editor-in-Chief

**M**any states use tax amnesty programs as a way of bringing in additional revenue and, more importantly, get some former taxpayers back on active tax payment duty.

In Massachusetts, the governor has proposed an amnesty program slated to bring in \$100 million. This program is for taxpayers of all tax types who have not previously filed in Massachusetts (non-registrants), plus taxpayers known to Department of Revenue (DOR) who have not filed and have not yet been assessed by the DOR for failing to file. If approved, the program will run for the entire year of 2016.

This is good news for taxpayers who want to get back in good stead with the state and bring their late tax liabilities up-to-date.

North Carolina is still offering its Trust Tax Recovery Program which was launched in 2014.

Under the terms of this program, businesses have the opportunity to pay any unpaid or non-filed based on a predetermined installment agreement. Once the tax and interest has been paid in full, penalties and collection fees will be waived. Taxes covered in this program include employee income tax withholding, sales and use tax, motor vehicle lease and rental tax, scrap tire disposal tax, and white goods disposal tax.

California withholding agents are eligible to participate in the Withholding Voluntary Compliance Program (WVCP), a voluntary program which entitles withholders to remit past-due nonwage withholding for the previous two years, plus interest, in exchange for a penalty waiver.

Nine states and Puerto Rico offered various tax amnesty programs during 2014. ●

## SALT Toolkit

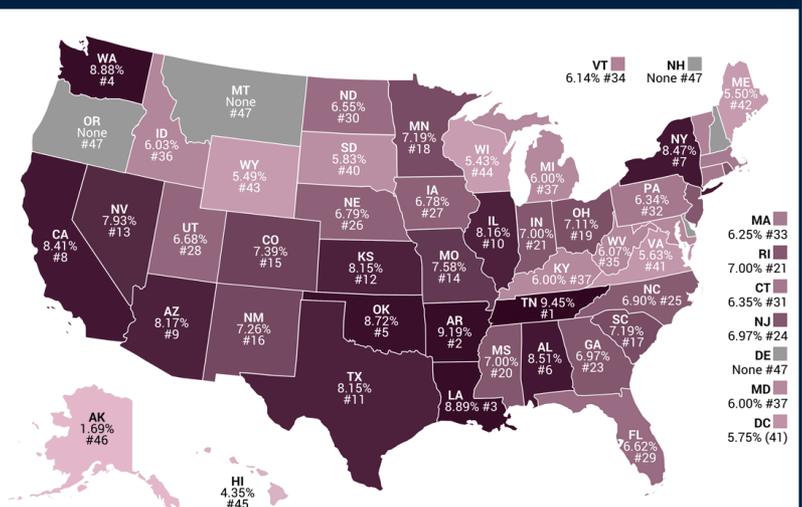
- [Sales tax compliance tune-up checklist](#)
- [Sales tax survival guide for 2015](#)
- [Up-to date sales tax news by state](#)
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In addition, Massachusetts has enacted an amnesty program specifically for corporate excise taxpayers. Amnesty participants will be granted relief from penalties associated with late payments. All payments will be required to be made in full by June 30, 2015. The penalty waiver applies to taxpayers who have either an unpaid self-assessed liability or who have an unpaid tax liability resulting from an assessment either before or after the filing of a return.

## March SALT Checklist

- Amnesty programs help miscreant taxpayers get back into the system without having to pay onerous penalties. Check the legislative updates in the states where your clients owe state taxes to see if there are amnesty programs in the works.
- Do you have multi-state clients? Develop a worksheet to help your team gather the appropriate information from your client so you'll have everything you need to handle apportionments.
- Offer to provide clients with an analysis of state tax obligations to make sure no double-taxation is occurring.
- Accountants are extra busy this time of year. If you discover state tax issues with your clients, set up appointments for the summer months to chart out the tax obligations and get your clients registered and paying taxes.

## Combined State & Average Local Sales Tax Rates in 2014



**Notes:** Three states levy mandatory, statewide, local add-on sales taxes at the state level: CA (1%), UT (1.25%), VA (1%). The sales taxes in HI, NM and SD have broad bases that include many services. Due to data limitations, table does not include sales taxes in local resort areas in MT. Salem County, NJ is not subject to the statewide sales tax rate and collects a local rate of 3.5%. New Jersey's average local score is represented as a negative. Data as of January 1, 2014. Published March 18, 2014.

**Sources:** Sales Tax Clearinghouse; State Revenue Department Websites; Tax Foundation Calculations.

Combined State & Average Local Sales Tax Rate  
Lower Rate Higher Rate

taxfoundation.org/maps



## Find a Little Extra Time for Your Clients, Even in the Middle of the Tax Season

By Taija Jenkins

**It's the middle of income tax season and the last thing on most practitioners' minds is how to engage even more, with even more clients. Not that you don't want to. But with the usual chaos surrounding busy season, plus the added stress of new laws, courtesy of the Affordable Care Act, time is scarce these days.**

And, that is *exactly* why it's imperative that you make connecting with your clients high on your to-do list. You have been doing this long enough that your regular clients know that tax season is crazy. They know because

it's crazy for them. They appreciate your help preparing and filing forms for each of their employees and issuing any necessary corrected forms.

Let your clients know that you appreciate their business. Set aside

a few minutes each week to send out follow up notes for each client who you have finished filing for. Check in to see if everything went as expected or if they have any questions or concerns. If there are concerns, take the time to address them right then and there. If there aren't, remind your clients that you are available for any questions they have.

Now's also a good time to start planning for next tax season. If there were some unexpected surprises, schedule time with your client after tax season to address them. Make the appointment now so that it's on the calendar before either of you get too busy. Keep track of everything that will need to be addressed and create a solid

plan together to tackle the issues head on and avoid having them resurface next tax year.

Checking in with clients is also a good way to make sure that you are meeting their needs. It's possible that a situation may arise that they are not even aware falls within your range of services offered. By casually engaging with them, you are able to further expand your service offering and they are able to quickly resolve a matter or business need.

These may be small gestures, but they keep the line of communications open between you and your clients. After all, you shouldn't just talk when it's time to file taxes or there's a payroll issue. ●

# Responding to Tax Notices

By Taija Jenkins

**Y**ou helped your clients prepare and file and it looks like you've survived another tax season. Then, your client gets a notice from the IRS.

Tax notices may be sent for many reasons and are almost inevitable. Perhaps there was an error in filing, or your client was missing some documents. Maybe there was an issue on the IRS's side. Whatever the case, it should be handled quickly and with care.

When you or your client receive the notice, the first thing you should do is check it against your client's records and the forms you filed on their behalf. Make sure all payments have been correctly accounted for and there is no missing information. If there are any discrepancies, work with your client to identify the cause. Did they forget to provide you with documents or information? Was there a software or hardware glitch? Was an error performed during the filing process? The sooner you are able to identify the reason for the notice, the sooner you and your client can get it resolved.

Once you have checked the notice over with your client, prepare to respond quickly. Many tax notices will have a deadline to reply and missing the deadline could do more damage, especially if the initial notice had a fairly easy resolution. If the tax notice calls for additional documentation, be sure to work with your client to gather it well before the deadline. You want to give the IRS enough time to process the documentation *before* the deadline. Likewise, if you are appealing a notice, you want to do so in ample time to avoid being hit with any additional penalties or fees.

Any correspondence to the



## Payroll Accountant's Checklist for March

- ✓ Send Forms W-2c to the SSA, if any errors were found
- ✓ Respond promptly to any SSA notice or request for corrections
- ✓ If e-filing, make sure data files are in text format and formatted according to the SSA's EFW2 specifications
- ✓ File Copy A of all electronic Forms W-2 with the SSA and Forms 1099 with the IRS by March 31 (or the next business day, if March 31 is a nonbusiness day)
- ✓ Review and advise individual 1040 clients on W-4 withholding amounts

IRS should include a cover letter with your client's Employer Identification Number, the tax year, tax notice number, and a list of any enclosed documents. Each enclosed page should be numbered and also include your client's EIN. Be sure to clearly state your purpose – supplying the requested information, requesting an appeal, etc. The goal is to get the matter resolved as quickly and effectively as possible. Sending documents without any reference to what they are for, or vaguely requesting an appeal will only delay the matter and could result in your client inadvertently getting fined in the process.

Tax notices may seem daunting to your clients and a nightmare for your firm, but they don't have to be. Remember to meet with your client and gather the necessary information upfront. Then, quickly respond to the notice, clearly stating your client's position. ●



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# The 7 Critical Skills of an Effective CIO

A well-qualified CIO can and should be a key member of your management team, yet few firms are taking full advantage of this strategic resource. By well-qualified CIO, I am referring to those IT professionals who display both acumen and potential in a variety of leadership and management skills beyond technology. While technology savviness is important, IT professionals also need the opportunity to develop and practice the skills necessary to elevate to a more strategic level within the firm.

## 7 Critical Skills

At Boomer Consulting, we've developed a list of critical CIO skills, which are outlined below.

• **BUSINESS SAVVY** - The ability to bridge the gap between IT and the firm's economic engine. This is a skill that frankly many technical CPAs do not possess or at least not at a level to manage or lead a major firm or business. They have great technical skills,

which are important, but often have not had adequate soft skill training and/or inadequate understanding of technology.

- **MARKETING & SALES** - Develop messaging that effectively outlines the advantages of new technology and educates partners and managers on how they can leverage technology as a strategic asset rather than viewing IT as overhead. This generally involves some convincing and the ability to manage change. Not all that different from what we do in our traditional marketing/sales of services to clients.
- **COMMUNICATIONS** - Amazing messaging and education goes nowhere without effective communication skills. A good CIO can communicate through a variety of channels (face-to-face, email, video, etc.) and puts the time in up-front to understand his audience's preferences for receiving the message. They understand that a one-size-fits-all communication strategy is not enough.
- **HUMAN RESOURCES** - Great CIOs build a team of IT professionals to deliver resources to the firm (internal and external sources). They identify and assist in the development of IT training requirements at all levels of the firm. Recruiting, hiring and managing a team of top level talent requires at least a baseline understanding of human resources and personnel development.
- **PROJECT MANAGEMENT** - Manage priority projects to insure success, on

time completion and within budget. IT professionals tend to be highly skilled in this area already and should be leveraged to train the firm's staff, managers and partners on project management basics.

- **BUDGETING & CASH FLOW** - The ability to step back and see the big picture for the firm in terms of finance is important to establishing priorities, budgeting and projecting cash flow. This requires that the CIO be trusted with access to financial information beyond simply the technology budget.
- **STRATEGY & PLANNING** - CIOs need to understand and use a formalized strategic planning process around technology and be responsible for IT planning and budgeting. The process should integrate the firm's technology plan with the firm's overall strategic plan. To do so effectively, the CIO should be involved in the development process for both plans.

Many will look at this list and say, "We don't have anyone who is highly skilled in all those areas, let alone an IT professional." While this may be true, you don't necessarily need someone who is already at an "expert" level in all areas. You need someone who has potential and drive. Do they show a willingness to learn new skills and a desire to develop beyond their current position? If the answer is yes, you likely have the right person and need to invest in development and training programs.

## What CIOs Bring to the Table

There are a number of benefits to including your CIO on the management team. Here are five of the top reasons in our opinion.

- CIOs bring a different perspective to the table than most partners.
  - CIOs understand how technology can improve efficiency and effectiveness and can provide innovative insights.
  - The firms with the best technology are those firms with strong IT leadership. Having a strong CIO on your team who supports the firm's vision and integrates technology is a strategic advantage.
  - CIOs have project management skills essential to the success of the firm.
  - A quality CIO can leadership and management in developing new services and revenue streams.
- Over the past several years we have conducted the Boomer Technology Circles and The CIO Advantage and I can assure you that these leaders exist today in firms across the country. Many have recognized a shift in the role of the IT leader and are already developing their skills for the future. Ensure your firm is also preparing for the future by developing your CIO in the areas that will allow you to leverage technology to its full potential. ●



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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