

# CPA Practice Advisor

JULY 2021

VOLUME 31  
NUMBER 6

*Today's Technology for Tomorrow's Firm*



**HOW TO DECIDE AND  
PITCH YOUR FIRM'S**

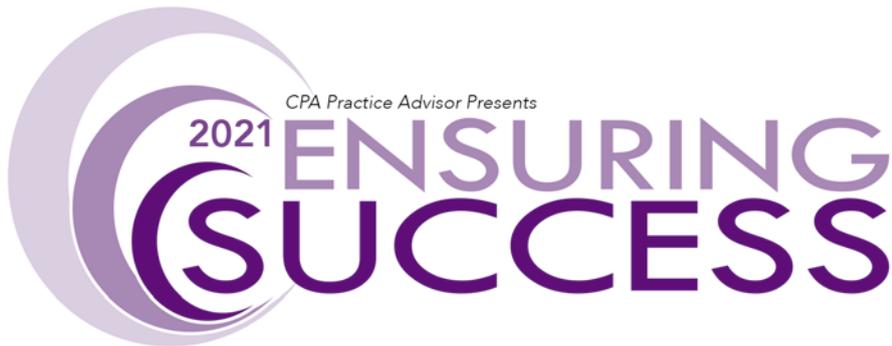
**GAS  
PRICING**

THE LABOR LAW **ADVISOR:**  
Where Have All the  
Workers Gone?

THE MILLENNIAL **ADVISOR:**  
Dress Code 1, 2, 3

BRIDGING **THE GAP:**  
4 Essentials of  
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**12/9/2021**

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5	6	7	8 	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24 Christmas Eve	25 Christmas Day
26	27	28	29	30	31 New Year's Eve	

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# CPA Practice Advisor

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## Getting Back to Work

WFH? HYBRID? OLD Normal? What will your office look like going forward? McKinsey & Company surveyed 5,043 full time employees who work in government or corporate jobs during December, 2020, and January, 2021, asking about preferences for getting back to work. While the results might not seem startling to us now, since we've spent over a year in lock-down, just imagine if we had seen results like this a year and a half ago.

For people who have the option of working from home (or some other location of choice), 63% of U.S. survey participants indicated they would prefer to work from home three or more days per week. Worldwide the number is 53%. More than a quarter (27%) of U.S. participants said they will consider switching jobs if work returns to fully on-site. Pre-pandemic, working from home wasn't even on the table as an option for improving the workplace.

A Gensler survey conducted in 2019 focused on workplace effectiveness and reported findings about co-working spaces, private spaces within the office environment, workplace amenities such as focus rooms, work cafes, breakrooms, lounges, tech-free zones. "A workplace that offers a great experience has become a key factor in the war for talent," states the survey, as it discusses desires among workers for more diverse working areas within the office.

A 2019 Harvard study on workplace wellness found that employees want onsite gyms, meditation rooms, standing desks. Nowhere is there mention of the option of working from home.

Remember when we liked working with one another in the same location? What will your workspace look like in the year or years ahead? It seems the primary thing holding us back from going all-in on working-from-whenever-you-want (WFWYW) is technology. Zoom and Slack and Teams and other programs stepped up their games during the pandemic and allowed us all to at least communicate with co-workers and clients/customers. But what about really working together?

We need collaboration tools that will provide the same experience that we get when we walk around the corner to a colleague's office and ask, "So, what do you think about this?" We want to park ourselves on



the chair in a co-worker's space and have an in-person brainstorming session. We want to grab an empty conference room at a moment's notice and connect with one another while the ideas are fresh and flowing – not schedule a call three days from now and hope the internet connection is sufficient to last for the entire discussion.

And really, who isn't weary of hearing, "You're on mute" on every

single group call? If we're going to consider a future that includes WFWYW (I thought it was my own acronym, but the Twitterverse already beat me to it), we need state of the art communication tools. As a veteran WFHer, I look forward to the future choices our techno-gurus will provide. ■

— Gail Perry, Editor-in-Chief

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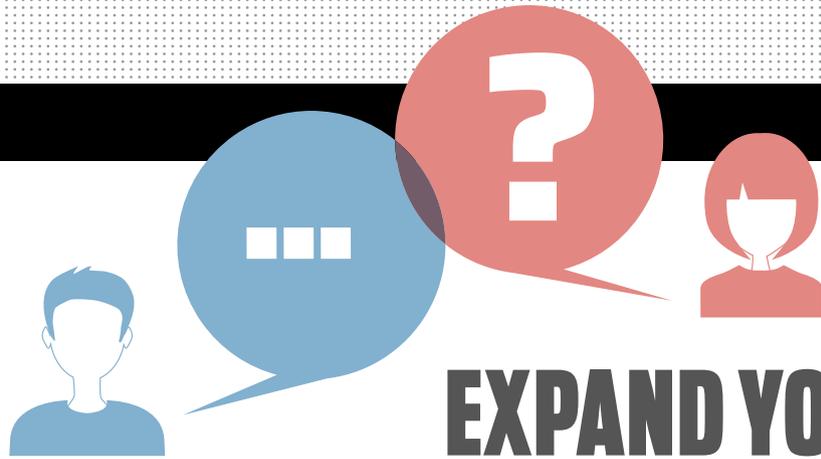
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# EXPAND YOUR PRACTICE WITH ADVISORY SERVICES

By Mary  
Girsch-  
Bock

IF YOU'RE LOOKING for ways to expand your practice, adding advisory services is a great place to start. When coupled with annual tax planning and preparation services, the addition of advisory services can benefit both your clients and your firm, offering clients a single location for all of their financial and tax preparation needs, while providing your firm with a healthy dose of additional revenue.

Advisory services can cover a lot of ground and can include any or all of the following:

- Tax planning and strategy
- Technology implementation and maintenance
- Financial reporting
- Cash flow forecasting
- Process automation
- Budgeting and goal tracking
- Strategic planning
- Wealth management.

Although there are other areas you can choose to offer your clients, there are three areas that can benefit your clients the most.

## 1. FINANCIAL ADVISORY SERVICES

Financial advisory services might arguably be the most obvious services you can offer your clients. Financial services can range from helping your clients set up a business to assisting them with goal and money management. For small business clients, these services can include the following:

- **Financial statement analysis:** Financial statement analysis is an important component of any advisory service you may be offering. Your client might be an expert attorney, architect, or retailer, but he or she might have no direct experience managing business finances. Analysis of financial statements should be completed regularly in order to gauge company financial health over time and make any needed recommendations.
- **Cash forecasts:** Very different from financial statement analysis, cash forecasts serve more as an interactive planning tool that can guide your client through the ups and downs of running a

business. Managing cash forecasts on a regular basis is a must for small business owners.

- **Budgets:** Budget preparation is an essential part of managing a business. As part of your financial advisory services, you can work with your clients to devise a budget for their small business, while also helping them reach their goals.
- **Complete accounting services:** Small business owners often find themselves in a bind. They need someone with experience to handle accounting and bookkeeping tasks, but they don't have the budget to pay for a full-time bookkeeper or accountant. Offering both new and existing clients complete bookkeeping and accounting services on an outsourced basis can reduce errors and help keep your client finances on track while still being cost-effective.

Financial services aren't just for businesses. Many individuals face financial challenges as well. Whether your client is going through a divorce, expecting a first child, sending a child to college, or considering a move to a new home, your expertise can help your clients minimize taxes, reduce tax liability, and save for retirement.

## 2. OPERATIONS ADVISORY SERVICES

Not all of the services you offer your clients may be financial, although these services will ultimately impact their financial well-being. This is particularly true if you become involved in advisory services. These services can include assisting your clients with finding the right software products for their business, to finding a better way to process payroll.

Operations advisory services may also include audit analysis of your client's current operational structure, providing them with ways to streamline internal processes while ensuring that those processes are completed properly. It can also include assisting with the creation of a strategic plan that can help your client reach business goals.

## 3. COMPLIANCE

Many new business owners may be unaware of all of the compliance issues involved in owning a business, from payroll tax compliance, to state and federal labor laws. But even experienced owners can struggle in their quest to stay knowledgeable about all the compliance issues that business owners face. Keeping your clients compliant with all business regulations reduces the likelihood of penalties and interest, while freeing them to spend more time growing their business.

## READY TO START OFFERING ADVISORY SERVICES?

Not all firms offer all advisory services, so decide up front which ones you'd like to add. Then you can start contacting your existing clients to let them know about the new services you're offering. As an added bonus: Having a more complete menu of service options also makes it easier to attract new clients who are looking for more than tax preparation. Remember to add only the services that your firm is in a position to offer. Concentrate on your expertise and what skills you can offer to your clients.

Adding advisory services can take your firm from tax compliance to a quickly becoming a year-round service provider. Is it time to start exploring the possibilities? ■



# ESSENTIAL STEPS TO TRANSITION TO ADVISORY SERVICES

NOW THAT THE 2021 tax season has ended, and after you've had a chance to take a breath, it's important to look ahead to the next year. Now is the perfect time to make those business transitions you've been putting off. Like your spring cleaning, it can feel like a daunting task to make significant changes to your business model. You could say "my clients wouldn't like a transition" or "my firm has been operating fine enough, why change," but that's a surefire way to leave potential revenue for your firm, and value for your clients, on the table.

While the concerns above are common, there are easy steps you can take to transition your business from a compliance to a tax planning and advisory services model, without compromising your business. You're closer to advisory than you think – you're likely already providing this service, and if you follow the road map below, you can begin to transition your business model to value your knowledge and expertise, rather than your compliance output.

## **STEP 1: DEFINE THE PROCESS**

The first step in the transition to advisory services is to develop a process for how you'll work with clients.

You'll want to consider how often you ask clients to meet with you. It's crucial to see your client at least once a year to plan for the year ahead and discuss any business plans that could impact financial advice. Quarterly or semi-annual

meetings are preferred as it allows you time to check in with your clients on any new updates they might not readily think to share. Ultimately, you and your client can work together to find a cadence that feels right. In between those meetings, check-ins via email or phone can also help in continuing to provide value. Many tax pros are likely already doing this.

It's also important to outline in advance what you want to accomplish at each meeting. For example, getting a clear picture of their financial goals for the year at your first meeting or discussing progress made or important changes in the business during a mid-year check-in. The best question to ask of course is, "What keeps you up at night?" That will help you uncover the most pressing financial worries and help you provide the right advice.

Finally, it will be critical to develop a process for answering those inevitable "I just have one quick question" emails. As any tax pro will know, there is no such

thing as a "quick question." Most questions require reviewing client information, tax research, applicability, drafting communication and more. One question can easily turn into 30 minutes and then an hour or more. That is, ultimately, unbillable work in a non-advisory model. More importantly, the client might not be providing the full picture via email, leading to a potential recommendation that might not be the best fit. Instead of doing the research, you can reply with an ask for a conversation. For example, "I'd love to answer this question, but first I'd like to have a 15 to 30 minute call to chat through the question in more detail, so I can provide the best recommendation." You'll find that many clients are open and willing to chat.

## **STEP 2: TEST THE TRANSITION**

Once you have your system, you can begin to test it out on some of your most loyal clients. These clients are likely to understand the transition and value you're bringing, and see this as an enhancement and improvement.

Testing your process will allow you to see what's working well and what's not, and give you time to adjust before rolling your new business model out to your entire client base. Use this as an opportunity to get honest feedback and as a way to update any parts of your process, test different communications tactics,

# SITATION INTO ORY ICES

By Jim Buffington

refine meeting cadence and more.

Remember, most successful results come with periods of experimentation, testing and learning. There is no “perfect process.” Find the combination of best practices that works best for you, your firm and your clients.

## STEP 3: OVER COMMUNICATE THE ROLLOUT

Once you’re ready to announce your advisory services model, the most critical step is communicating the change effectively, and in a way that underscores its value. Then, communicating it again and again.

Highlighting the value your clients will get with this new model – additional tax saving strategies, support for financial decisions, potentially improved financial standing or saved money, retirement and goal planning, risk management for potential future crises – will support successful buy-in from clients looking for real financial support, not just compliance work.

In fact, a 2020 Intuit survey found that 79 percent of taxpayers are willing to pay more for a tax professional’s service if it will result in an improved financial outcome, like money savings and reducing tax liability. Providing examples of the ways in which you’ve helped other customers, or how additional planning and advisory services

could make an impact on your clients at an individual level, will ensure they know this transition is only going to benefit them in the end.

In addition to communicating the benefits of the new model, it will be helpful to point out why the transition is important. Discuss with your clients that reactive tax preparation isn’t helping them save the most amount of money, nor is it the best way to reach their financial goals. By connecting more often and aligning with their goals in more detail, you can not only implement more effective tax planning and tax advice, but you can also provide more business financial advice to help them realize their financial goals from the get go, ultimately leading to the best return.

The thought of transitioning from a compliance model to tax planning and advisory services may be, understandably, nerve-wracking. Following the three steps above can help you make the change in a positive and productive way. In the end, your clients will appreciate your expertise in helping to help them achieve the best financial results. ■

*Jim Buffington, CPA, is a customer liaison with Intuit ProConnect. He has 20+ years of professional experience in sales management, public accounting, strategic alliances, product marketing, business process design, new business development and strategic planning.*

## Mindset Shifts That Lead to Positive Business Outcomes

By Jasen Stine and Marty French

**I**n the tax and accounting profession, it’s natural for us to focus on the concrete - the numbers, the client emails and calls, the compliance forms, etc. What may be less natural to some is making soft skills just as important. The mindset and culture at your firm have as much impact as your client relationships, and better culture can lead to even happier clients. Below you can read about some of the key areas in which mindset shifts can lead to positive outcomes.

### Think like an MBA

We spend much of our time focused on our clients, helping them navigate complex financial issues and planning their path toward a successful future. Have you spent the same amount of energy looking at your own firm and where you are going? Just as it’s important for your clients to set goals, it’s important for your business as well. Challenge yourself to keep the mindset of an MBA: focused on meeting business goals and driving successful planning toward your ideal future state.

As a leader within your firm, sit down and think about your vision for the future of your business. What type of clients will you serve? What kind of work will you do? Where do you most want to grow your business? For additional input, send a survey to other leaders in your firm and your loyal clients. Ask them what services are most helpful and important, what keeps them up at night, and what areas of their business and/or financials they struggle with the most. Use these self-questions and outside insights to inform what service areas have the potential to drive revenue and to grow your business into the firm you want to be in 5, 10 and more years.

Once you have identified your strengths, key revenue drivers, and have a clear vision of where you want to take your business, you can begin to set a plan to bridge the gap between where you are now and where you want to be. Develop a plan and set specific goals to meet, and continue to ask questions along the way.

### Hire for culture fit

In addition to a vision and plan for the business side, a mindset focused on hiring the

right people is critical. While, yes, having the prerequisites for the job are important, hiring for culture and attitude should be weighted equally. There’s a point when skills can be taught, but an open mindset, cultural fit, positive attitude and desire to make an impact can’t.

Ask yourself: Are the people I’m hiring going to be open to and excited about the future of the business? Will they want to help create a better future for our firm? Looking for employees who want to do more than punch numbers can not only improve firm morale, but will also help you meet your business goals and ensure clients are set up for success. And don’t forget to keep diversity top of mind. Different backgrounds and perspectives help the firm stretch thinking and solve problems in new and unique, but effective, ways.

By hiring the right people and investing in them, you create better morale, higher client satisfaction and, ultimately, higher revenue.

### Reassess business structure

Now that you’ve made a plan for the future of your firm, and have hired the right people, it’s time to take a step back. Reset your mindset to be that of someone looking in, an impartial observer. Look from a high level at your firm’s structure, the different perspectives each person brings, the processes you have in place. Are these helping you work toward your goals or will they work against them?

Organizational structure is a critical consideration. Is your firm siloed into different groups? Are people with different skills and expertise working together on one client? Consider creating teams across specialties to give your clients more insights, and perhaps uncover opportunities they had not seen before. This nimble structure will also allow you to grow the business in ways you may not have before.

Mindset matters. Whether it’s focusing on revenue and business planning, enhancing culture or rethinking business structure, being open to change will allow your firm to reach new goals and success. ■

*Jasen Stine is a tax & accounting education leader at Intuit. Marty French is an accountant strategy & business development coach at Intuit.*

# HOW TO Decide and Pitch Your Firm's CAS PRICING



By Hitendra R. Patil

**PRICING YOUR CLIENT Accounting Services (CAS) offering correctly to ensure reasonable profitability (and to ensure your clients feel value to price balance) is a major decision you will make in your CAS practice.**

In my new book, *The Definitive Success Guide to Client Accounting Services*, I have shared many key insights from the CAS survey that I conducted with the help of CPA Trendlines. It is perhaps the largest CAS survey in the accounting profession, with more than 3,000

firms, of all firm sizes, responding to the survey.

## PRICING INSIGHTS FROM THE CAS SURVEY

The survey results revealed how CAS firms price their CAS offering:

- **Fixed/Flat Fee:** The topmost method

used by 41% of the respondents.

- **Mixed Method:** A mix of hourly, fixed, and value pricing, charged by 36% of respondents.
- **Hourly Fees:** Used by 33% of respondents.
- **Value Pricing:** Used by about 28% of respondents for CAS pricing.

## PACKAGING CAS OFFERING LEVELS

The main precursors of your CAS pricing levels (dollar amounts) are the components of your CAS offering levels. The most prevalent methods that firms use to package CAS offering are generally based on:

- Whether clients offload only after-the-fact work, part of the work, or entire accounting work to the firm
- The types of work (number of services) firms do for different types of clients



intermediate, premium (or bronze, silver, gold), with some flexibility of customization within each level

- Within each of these levels, firms define the periodicity of service delivery, e.g., basic can include monthly reporting. In contrast, premium can consist of even daily or at least weekly service delivery.
- The level and depth of insights increase as the package level increases.
- The quantum of expert-time “included” in package “consultation and advisory” phone calls/meetings increases as clients opt for higher-level packages. In other words, you indicate to existing clients and prospects that if they need more than one meeting (do not limit the time per meeting) per month with you for advise, they would need to purchase a higher level of CAS package.
- Firms define “scope of work” for each package, but CAS firms also illustrate clear examples of “out-of-scope work.” Many firms call it “one-time projects work.”

## DECIDING ON CAS PRICING

Just how much should you charge for CAS to balance profitability and clients’ value experience? This is an art but also a science. The full insights on this aspect are out of the scope of this short article, but here are some key pointers:

- In general – clients seem to accept the total cost of accounting to be not more than 2 to 4% of the topline revenue of the business.
- If you charge X dollars per month for after-the-fact write-up work, CAS-fit clients should pay you 2-3X dollars per month.
- Automation can increase your firm’s productivity of data-intensive processes by up to 80-85% and reduce the total cost of producing the work by 40-50%.
- Avoid cost+ method of pricing (don’t bill inefficiencies to clients) but have some measurements in place, e.g., your

average cost/time per unit of work of each type, so you can enhance your processes/technology/automation/pricing.

## CAS PRICING RISK MANAGEMENT

CAS clients prefer the fixed fee pricing method because it removes the uncertainty of how much they will pay every month, i.e., it reduces clients’ risk. The best way, and many CAS firms figured this the hard way, is to ensure you minimize your CAS pricing risk by getting the client to agree to:

- Review the CAS engagement after 60-90 days to relate the final CAS pricing to each client’s actual volume of work.
- Review the CAS engagement every year to relate the growing or reducing volume of work based on the business volume trend of each client.
- Including a clause that allows your firm to increase or decrease the price if the client’s work volume increases or decreases by 10% or more.

## HOW TO PITCH YOUR CAS PACKAGES

Once you have crystallized components and pricing (dollar figures) of your CAS packages, the next important thing is to pitch the packages to your prospects effectively. I am sharing some of the methods that I figured accounting firms are already leveraging out there:

- **Show your highest priced CAS level package first**

Several psychological experiments have proven that the fear of loss is considered about twice as powerful as the pleasure of gain. In other words, pitching “You will get these additional benefits if you purchase our higher CAS package,” is likely to be half as effective compared to pitching “If you purchase our next lower level of CAS package, you will not have the benefit of these X number of actionable insights.”

Your highest-priced CAS package is your anchor price. Because the next price level is lower than the anchor price, the price pressure gets released immediately. At the same time, your lowest-priced CAS package will look like the “cheapest” option. Likely, the prospect would want to avoid being seen as the one who made a “cheap choice.” It is, therefore, critically important that your intermediate package is as profitable as possible for your firm.

- **Give your pricing “why”**

Your prospects and clients are NOT professional accountants or even educated in accounting. They simply do not know what it takes to produce the levels of work required to deliver the intelligence and insights they see in your CAS packages. Hence, they may perceive your pricing as “too expensive” or even “too low” (creating doubts about the quality of your work). To overcome such unsubstantiated perceptions, you need to tell why your prices are what they are.

- **Show them the difference**

It is very difficult for clients to understand why they should now pay more and for what. Therefore, when you try to sell CAS to existing clients, show them the before CAS and after CAS insights difference, so they clearly see the additional value they will get if they upgrade to CAS.

The quick insights above are some of the most proven ones in the profession. But, the pricing methodology for CAS can be very well defined based on your CAS experience. The key to success is to experiment, observe, measure, and adjust for a long enough time. ■

*Hitendra R. Patil is author of the new book, “The Definitive Success Guide to Client Accounting Services (CAS).” He is a 2017 to 2020 Top 100 Most Influential People in Accounting, and Head of Customer Success at AccountantsWorld.*



- Periodicity of service delivery and the “actions” that clients can take based on the insights/recommendations you deliver (not just the reports)
- Level of predictability in the periodic amount of money client will pay in CAS fees
- Flexibility to charge for out-of-scope, finite, non-recurring projects

Based on the above-mentioned guiding principles, CAS firms use the following methods to create the “packages” for their CAS offerings.

- Generally, three levels, e.g., basic,

## CLIENT EXPERIENCE FOR TODAY Client Advisory Services

Few topics are as near and dear to me as Client Advisory Services. Those of you who have followed both my teaching career around the world for decades, and this column for almost 20 years, know that I've tried to bring you the latest in software and hardware technology. In many cases, my software and hardware insights occurred because I've been fortunate to advise companies creating these products, and still do so daily. While the actual, sole inventor of Software as a Service (SaaS) based collaborative Client Accounting Services (CAS) may never be known, it has been an honor and a privilege to sit in many of the meetings where these ideas were created.

Authors, tech developers, and consultants will attempt to convince you that they have the best CAS and Advisory answers. While quite a few have developed methodologies to deliver services with their software tools, only a few organizations have developed an independent program. As practitioners, sometimes we just need to solve day-to-day client problems and want a cookbook approach to accomplish this. As advisors, we must rise above the day-to-day and help our clients think strategically about achieving their goals, not ours.

The best analogy I can make for

CAS and Advisory is training and education. I have written about this in the past in other columns. Training is more vocational. Education is more holistic. We are educated to become more rounded. We are trained to do something specific. There is nothing wrong with a vocational school to learn a skill. We believe training is beneficial to learn a particular application well as evidenced by my K2 business offering technology CPE courses. Likewise, you are educated initially to become part of a profession and to achieve more noble goals and take CPE to hone your skills.

We can use our talents to do good

for our clients and help them achieve their goals. Teachers choose to use their lives to help others and find great rewards while doing so, although monetary rewards are frequently not among them. But the difference teachers make in people's lives is notable. Each of you has benefited from more than one teacher. Note that most teachers and mentors have also contributed to making you a better professional.

### WHY THE FUSS ABOUT ADVISORY AND CAS?

First, let's make it clear that Advisory Services have been available in the



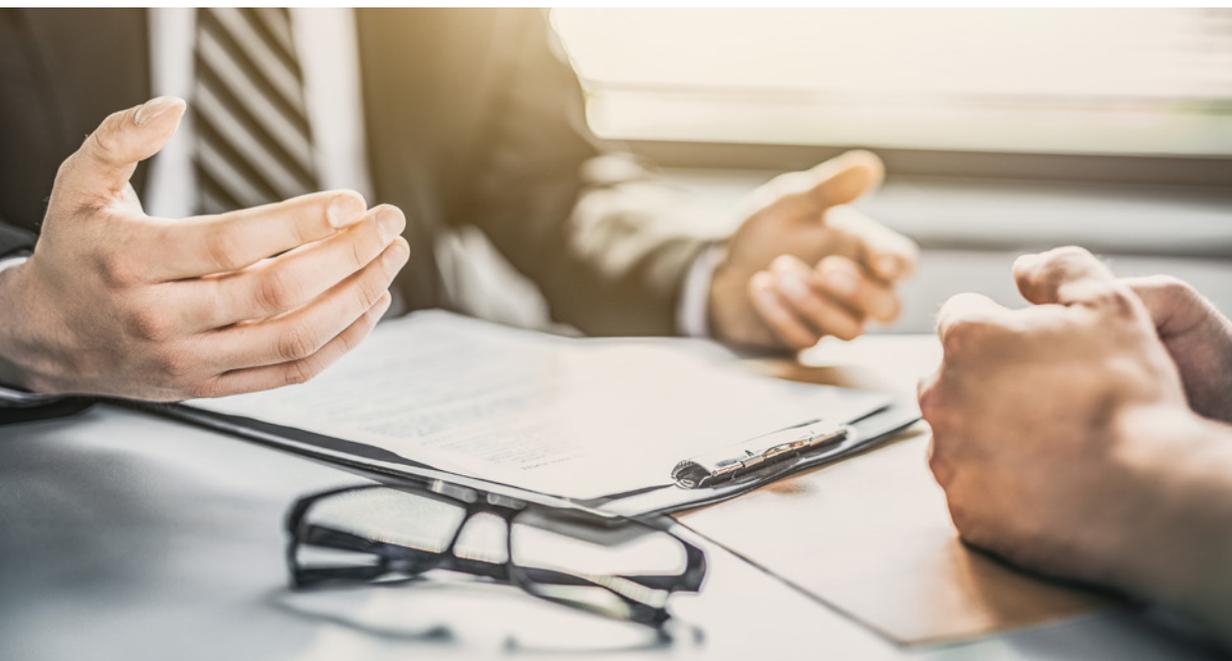
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profession since the 1930s. Advisory has only become popular in the U.S. market over the last five years or so. I'm aware of 34 Advisory offerings by my latest count, but I'm sure there are more in the market. Advisory requires planning and a "whole-of-client" approach. Advisory is proactive rather than reactive, benefits from true independence, and is more than a methodology to sell services to niches. Advisory may evolve to increasing specialization, but be cautious that this is not simply niche consulting.

Few application software products are genuinely advisory tools. I'm sure there are more, but I only know three and only recommend one. Most software tools are too operational and transactional to maintain the 30,000 views that Advisory Services provide. A product providing cash flow (LivePlan), HR (Gusto), or tax planning (Corvee) may enable a single advisory service. However, a single advisory service doesn't qualify for a "whole-of-client" approach. A single service is more like consulting than advising.

Accountants that provide Client Accounting Services see opportunities to assist clients first. For example, if there is a cash flow issue, you can see it from the CAS system. If payroll is part of your CAS offering, you can quickly see when labor costs are too high, or there is too much overtime. CAS offerings should be a blend of five to nine offerings to support a client's transactional needs. Examples of service offerings include Accounts Payable/bill payment, Accounts Receiv-



able/Collections, Expenses, Document Management, Document Gathering, Forecasting, Reporting, KPIs, Time Entry, Payroll, Sales Tax, Tax Returns, Data Import, RPA/automated workflow, Tax Specialty (Property, Planning), and more. We prefer offerings that are billed at a flat rate as a package, in advance via ACH, and reviewed annually to reset the fees for that client.

While many profess “throwing away the timesheet,” we believe that time tracking establishes the people costs of services and that workflow is needed to assure that no balls are dropped and that all due dates are met. Standard operating processes or workflows are mandatory to optimize profitability. Automation of transactions with pre-accounting or automation tools like Vic.ai, Hubdoc, Anduin, Digilence, Sage AutoEntry, Dext, FileThis, and Botkeeper can optimize the input cycle and provide scale without adding labor on-shore or off-shore.

## HOW DO WE CHOOSE CAS TOOLS?

If you are starting a CAS practice today, you should pick a SaaS toolset. While many accounting platforms could be used to provide CAS services, a few leaders for the profession have evolved, including Accounting Power, QuickBooks Desktop or Online, Sage Intacct, and Xero. Other candidates include AccountingSuite, Acumatica, Aplos, Thomson Accounting CS, and Zoho Books.

A complete system like Accounting Power with Payroll Relief from AccountantsWorld will provide the most efficiency and profitability because it includes bill payment/AP, expense processing, ACH support, workflow, and a tightly integrated payroll. This minimizes your efforts to choose and pay for additional tools to provide a complete service, as you will see below. Founders Chandra and Sharada Bhansali and their team have built a highly efficient, effective, and

profitable system that you can use with your clients in a matter of 30 to 60 days. Further, they have an offering this year that reduce your costs further and allow effective conversion from Intuit Online Payroll (IOP) to the Payroll Relief platform.

You can build a system by choosing a base accounting product like QuickBooks or Xero and choose additional tools to integrate and maintain. You need to choose your base product and partners carefully with a provider that values accounting professionals. The accounting profession should not be a sales channel, but many software publishers believe that accountants can be used to sell their products to customers. You want a software publisher that will help you with your clients.

K2 colleague Brian Tankersley and I have developed and maintained a grid of solutions that have evolved through the years. While not a specific recommendation, this grid from a recent consulting engagement shows some of the products that could be used to augment a base system to deliver a service.

## A QUICK HISTORY LESSON

Recall that the transition from write-up to in-house accounting to Client Accounting Services has been circuitous. Write-up tools allowed our firms to be very efficient at taking client records, converting them to trial balances, making adjusting entries, and preparing financial statements, which could be used to prepare tax returns. Initially, this work was done with service bureaus and minicomputers. However, as accounting software and computer hardware become more affordable, many smaller clients chose to take their accounting in-house with Peachtree (now Sage 50cloud), Quicken (no longer owned by Intuit), QuickBooks, and One-Write.

The first breakthrough for Client Accounting Services occurred when applications could be hosted. When

Intuit and Sage finally concluded that they would allow hosting companies to install and run QuickBooks and Peachtree, collaborative accounting was born. While lucky enough to contribute some ideas and approaches to this thinking, which led to the Intuit commercial and standard hosting programs (<http://www.intuithosting-program.com/>), we knew the second breakthrough was not far behind.

That second breakthrough came when we assisted with some of the earliest accounting programs that ran in a browser. Accounting Power, NetSuite, QuickBooks Online, and Sage Intacct all came out of this period in the late 1990s as developers started to leverage the increasing availability and speed of the internet plus the ubiquity of the browser. Thus, collaboration in real-time for small businesses was born.

## HOW DO WE CHOOSE ADVISORY TOOLS?

The best advisors always put the client first in their advisory practice. I had committed to continue coverage on the 30+ advisory services you can offer in prior columns, and we'll point you to more true advisory options instead of the “fake” advisory commonly promoted. We'll also learn more about “whole-of-client” at a future time. We recommend that you build an advisory culture in your firm. The best way to start is with solid advisory education.

First, make sure you take the time to learn how to create an advisory practice with resources like Upward Spiral North America, Oodles, or Advisory 101. We also have Advisory course content at K2 Enterprises on our online website. Second, remember that advisory services are proactive and not reactive and involve more recurring client advice and less consultation. We'll be covering many of these advisory tools in our Technology Lab Podcast.

There are fee-based advisory courses you can take from K2 and other education providers that provide CPE

credits and advisory certifications, providing your team with the knowledge, understanding, and credibility you need to be successful.

Finally, you can support your evolving advisory practice with tools like the Complete Advisory Solution or Thomson Reuters Accounting advisory services, including Practice Forward.

## SO, WHAT CAN WE DO TODAY?

First, decide if you are satisfied with your practice as it stands now. Do you like your compliance and consulting practice? Are you providing the services your clients want? Most importantly, are you providing the services your clients need? Are you working hard, or are you working smart?

As I noted in many previous columns, most CPAs I know want to and do serve their clients well. However, do you always want to have the client's best interest and goals in mind? Have you developed both a personal plan and a business plan with your client? Are you sure they have all their personal and business assets protected? Do you know that they have a valid will or trust in place? Since it is estimated that 15 trillion dollars will be transferred from one generation to the next in this decade, how do you help your clients transfer or dispose of their personal and business assets in the best way possible? How do you minimize the impact of tax law changes?

You need to apply advisory thinking to your practice and pick technology tools to support those efforts. Use the whole-of-client advisory approach to build a practice and relationships that can last for decades and generations. Assist with day-to-day transactions with CAS. Look for services that your client base needs and provide those as a packaged bundle. And always look for ways to create the very best client experience! ■

## How to Create a Comfortable Return to the Office

**MANY FIRMS ARE** returning to in-person work, but it's not so simple as flipping a switch and going back to normal. You have to be mindful of your customers' and clients' needs and desires to create the safest and most agreeable experience for all.

When the CDC released its guidelines for fully vaccinated people at the end of May, it felt like the end of a long chapter of changing regulations and imperfect information about whether offices should be open. Now, it seems, we are in a place where we will only be moving forward, rather than having to experience another shutdown. But an easing of restrictions isn't the same thing as going back to normal as we knew it before the pandemic. To make a return to in-office work successful, you can't throw caution to the wind and attempt to reinstate all of your old policies. Instead, you have to listen to your team members and clients before devising a strategy that works for everyone.

In a perfect world, your entire team would be vaccinated and eager to get back to working in the office every day. For the vast majority of firms out there, that simply won't be

the case. Do your people actually want to be in the office for 40 hours? Would they prefer to wear masks regardless of what the guidelines say? Will some of them decide not to get the vaccine? These are the kinds of questions you need to consider before welcoming everyone back. I've discussed reopening before, but now the question isn't whether to reopen; it's when and how best to do it. While the answers to that will be different for every firm, there are some best practices you can adopt in order to find the individual solution that suits your business and people.

### **GAUGE EMPLOYEE COMFORT AND INTEREST**

Mandating a date for a full return to work may seem like the surest way to rip off the band-aid of pandemic-era regulations, but it's neither advisable nor what most workers want to have happen. In

a situation like the one we're in, you're much better served to dip a toe or two in the water before diving in. Even better is to ask your team members if they are prepared to return, to what degree they want to return, and what rules they want to have in place before doing so.

The easiest and best way to understand where they're at is, of course, to ask them. Creating a survey will allow you to assess where your team is at in terms of enthusiasm to and identify what people are worried about. Some may want mask rules within the office, while others will not want to be in the office if they have to wear a mask. You probably won't be able to make a policy that is everyone's ideal set of rules, but you're much better off if you know where people stand before trying to devise a plan.

### **RELY ON HYBRIDITY**

If there's one thing we've learned over the past year-and-a-half, it's that we can get our work done remotely. It may not be optimal, it may involve a Zoom faux pas or two, but if circumstances dictate, we don't *need* to be in the office to fulfill our roles as accounting professionals. With that knowledge, you can lean on the fact that not everyone has to be in the office all the time. You can leverage hybrid work practices in order to both test policies and allow people to work in the way that's best for them.

It's not a bad idea to designate



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a pilot group to return to the office first, followed by allowing everyone back at once. Relearning the rhythms of an in-office day will be difficult and come with some awkwardness. You'll have to iron out a few kinks before you are certain of best practices. Similarly, you may find that one or more team members will prefer to remain remote for the foreseeable future. How you'll approach these situations is up to you, but remember that you can use in-office and remote work together; it doesn't have to be all or nothing.

The same goes for clients. Many will be happy to never set foot in your office again, whether for safety or simple convenience. Online meetings are here to stay, and you can utilize them even if your entire team is in the office.

### **CHANGE COURSE IF YOU HAVE TO**

Nobody is saying you have to get reopening 100 percent right the first time. If you adopt a certain policy and find it's making employees uneasy, you can and should alter your plans. We're all doing this for the first time, so it's impossible to foresee every potential sticking point. Over the past year, you've probably changed strategies several times. Don't be afraid to keep doing so until you find one that fits. ■



# Enhancements to QuickBooks Invoicing Speeds Up Payments for Your Clients

OVER THE LAST several months, there have been many new and improved features for QuickBooks. Now, Intuit is sharing details on innovations it has added to the QuickBooks Invoices' solution to deliver an even more intuitive, powerful, and fast payment experience for your clients.

Any business needs to get paid fast, and Intuit has long been a leader in supporting faster invoicing payments, helping businesses send more than 400 million invoices amounting to over \$1 trillion each year. As the company continues to listen to all of our customers and expand the benefits QuickBooks Payments provides, it looks forward to these enhancements helping you evaluate your clients' books in real time, and empowering you as strategic, impactful advisors.

## A DYNAMIC, REBUILT ESTIMATE FEATURE

Estimates are important for a wide variety of professions. With the newly rebuilt **estimate feature**, your clients can create professional looking estimates in just a few minutes, whether they are at their desk or out in the field. Now, they can save templates, build a library of favorites, and copy existing estimates and invoices to save valuable time when starting new projects.

After sending an estimate, your clients will have complete visibility into when they've landed the job by knowing when the customer's estimate was viewed and accepted. Best of all, clients will know they've been paid through the **estimates list and activity tracker**.

"For small businesses, growing your company means being able to convert more leads into new business, delivering on time, and staying on top of cash flow," says Gagan Shah, leader

of the Product Management Team for QuickBooks Invoicing. "These new changes make QuickBooks Invoicing an even more powerful tool because small businesses can now easily send a professionally designed estimate, get their customer to approve it and pay a deposit online, and be ready to get going on the project, all within minutes."

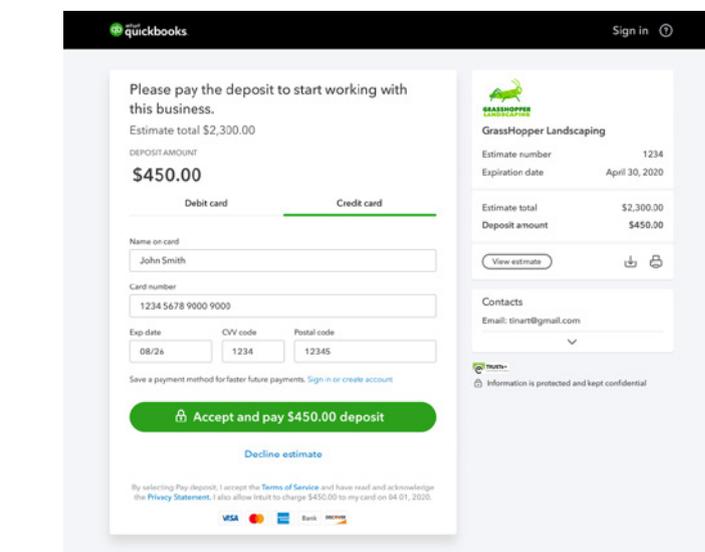
For those on the receiving end of the estimate, new tools simplify the experience and help them take action. Through QuickBooks Estimates, potential customers can **easily accept the estimate online** in one click. Soon, a customer will also have the ability to **pay a deposit** if one is required to seal the deal and free up cash flow for any upfront expenses.

## ADDITIONAL INVOICE FEATURES

There are a number of other enhancements to QuickBooks Invoices:

**Sending invoices.** When the invoice is ready, your clients can **send an invoice from a Gmail address** or **by text message as a shareable link**. QuickBooks will also offer **smart suggestions** to accelerate payment. These smart suggestions are based on an assessment of the client's profession, recommending email subject lines and invoicing terms that can help get a customer's attention - and get your client paid faster.

"The new estimate creation experience is also available on the QuickBooks mobile app," says Shah.



"Sharing the estimate and invoice link via text message is already seamless, and the screens that the payer sees are also optimized for mobile, with the ability to use Apple Pay and Google Pay to pay an invoice from their phone. Together, these features make the entire customer relationship and payment experience easier to handle on the go through mobile devices."

**Adding tips or gratuities.** Another enhancement is the addition of **tips or gratuities**, giving your clients the opportunity to earn even more money. If this feature is enabled, a client's customer will be able to add a tip to their invoices to recognize them for a job well done.

**Subscription payments for invoices.** Some businesses have recurring relationships, such as monthly fees for services or other types of ongoing payments. Now, through **subscription payments for invoices**, your clients can set up automatic payments for recurring invoices.

In addition, clients can **schedule payments** for their invoice on a future date or set up **automatic payments**

(available on recurring invoices only) and have access to see **all of their outstanding** invoices. These convenient features - along with automated email reminders for unpaid invoices - help ensure a customer won't miss a payment. Your clients will get their money faster, while eliminating time spent chasing down outstanding invoices.

"When small businesses have a recurring engagement with the same customer, we're also finding that our new auto pay option is driving much higher rates of payment for subsequent invoices," says Shah. "This improves predictability of cash flow and helps accountants have a more accurate, real-time picture of their clients' books."

For information about how QuickBooks Payments can help you and your small business clients, please visit <https://quickbooks.intuit.com/payments/>. ■

The ProAdvisor  
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## Where Have All the Workers Gone?

THE SUCCESS OF the ongoing Coronavirus vaccination program, with about one half of the U.S. population already vaccinated, and the dramatic drop in hospitalizations and positivity rates support the conclusion that the pandemic is all but over. In response, almost every state has reopened for business with few if any lingering restrictions.



However, the long-anticipated reopening of the economy has hit an unexpected roadblock – a serious lack of workers to fill the millions of available positions. With the massive loss of jobs during the pandemic due to layoffs and business closures, both temporary and permanent, the expectation undoubtedly was that the reopening would see a rapid return of those workers who had been sidelined for those many months. The expected mass return has been more of a trickle of returning workers. Millions of job openings are going unfilled.

Recent monthly jobs reports confirm that hiring has been much below expectations. For example, employers added only 266,000 jobs in April, far below the one million forecast by economists. In April there were 8.1 million job openings. One month later that number stood at 9.3 million job openings across the country. While the inability to hire has been most acute in the hospitality industry, especially restaurants, other industries, including manufacturing, warehousing, and food processing have been significantly affected as well. “Jobs available,” “Now Hiring,” and similar signs are ubiquitous across the country.

A recent U.S. Chamber of Commerce poll found that one in three

unemployed workers do not expect to return to work in 2021. Even more alarming is the fact that approximately one half of those polled indicated that they have no plans of returning to work at any time in the future. The reasons for the reluctance to return to work has been the subject of intense discussion and speculation, with the conclusion being that the reasons are varied and complex.

Many point to what has been described as the “perverse incentive” not to work because of the \$300 federal unemployment supplement that is on top of the state benefits, which average around \$300. Many employees can make more by staying home than by working. Such enhanced benefits have essentially priced employers out of the market. The federal supplement is scheduled to end on September 6, 2021.

While there was some preliminary discussion in the Biden administration of extending the supplemental benefit beyond September, a number of Senate Democrats have recently signaled that they are unlikely to support an extension. In addition, the governors in some 25 states have unilaterally decided to halt the federal jobless benefits within their states earlier than its scheduled expiration. Initial efforts by the

Biden Administration to prevent such actions have since been dropped.

The enhanced unemployment benefits are certainly not the sole reason for the lack of returning employees. For some, especially working mothers of school-aged children, it has been the school closures and lack of childcare that has made returning an impossibility. Still others cite concerns over potential exposure to Coronavirus if they return to the workplace. With the success of the nationwide vaccination program, this claim becomes less viable with each passing day. In addition, virtually every employer continues to comply with the CDC workplace safety guidance and protocols.

In some cases, baby boomers nearing retirement age who lost their jobs early in the pandemic have simply decided to retire earlier than previously planned. Some workers have been slow to return because they are being choosier about their job choices, are switching jobs, or may even be seeking a career change. These all require more time to connect with a new employer. Finally, for some unemployed workers who wish to return, there is the problem of a lack of the particular skills needed for the jobs available.

In addition to the state efforts



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to end the federal unemployment supplement in hopes that it will cause at least some workers to return, private employers have taken a variety of actions to help attract workers. These include wage increases, hiring and retention bonuses, college tuition reimbursement, paid family leave, and even healthcare benefits by some restaurant groups.

For example, Amazon is offering \$1,000 signing bonuses in addition to increasing wages by up to \$3.00 per hour for over 500,000 employees. Chipotle, McDonalds, Tyson Foods and countless others are all raising wages to attract workers. In the case of McDonalds, it plans to raise wages for more than 36,500 employees by an average of 10% over the next several months.

All of these efforts to spur hiring underscore the increasing concern on the part of many that the economic recovery is in serious jeopardy just as the country is fully reopening. Whether the recent failure of the hiring rate to even approach the numbers forecast by economists is a trend that will continue no one can tell. It may well be that the efforts to make jobs more financially attractive in a rapidly expanding economy, coupled with an end to the enhanced federal unemployment benefits, will finally cause those workers who have remained comfortably on the sidelines to finally return to the workplace. All we can do is wait and see. ■



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## Dress Code 1,2,3

DO YOU REMEMBER back when you were a kid getting dressed for school and you would on many, and I do mean many occasions “freak out” on your parents about what you could wear to school? Sometimes the logic was sound, you wanted to dress to impress, other times your logic was flawed. That color itches, those pants are not comfy enough, or you just had to wear shorts in the middle of winter.

No matter what your generation, we all can remember those mornings getting dressed for school, and now, those of us who are parents, see another side of that situation. Luckily for all of us, once we got jobs in the workplace, we still had to dress to impress, but the modern “business casual” provided a pretty flexible range of workplace attire. Gone were the days of suits and dresses, like we have all re-lived through Mad Men. In the accounting landscape we also tended to avoid the super casual workplace scene

of shorts and flip flops. After all we were the most trusted advisors and trusted advisors don't wear flip flops, at least most of them don't.

Our dress code at work at the most basic level is all about representing the brand our firm organization team culture portrays. The dress code is the external visual show case of what you stand for and what makes the organization and you unique to those you interact with. The nice thing about this, unlike many other subtle social cues or non-verbals, is that attire is rarely misunderstood. For most people a suit is a suit, and most people don't draw the distinction between a \$10,000 and \$1,000 suit. Whereas the line between suit and tie, business casual, and flip flops is large and distinctive.

Given this, we all have had to adjust to working remotely and the line between business casual and flip flops gets greyer by the day. After all, on a “zoom call” you can wear shorts and flip flops since no one sees them. But what does your top half show and represent and is your new virtual working attire sending the right message?

### THE RIGHT MESSAGE

As we talked about before, your attire either in the office, working from home, or on a virtual meeting isn't just about you being comfy. The goal at the granular level for any organization is that your attire represents the brand and its culture. Your culture is what makes your

organization unique and different from everyone else around and many articles have been written at length about the value and purpose of culture so we won't re-tell those stories here, you can just go and read prior issues of this magazine, trust me. As you move into a post covid world, now is a great time to think about your dress code and make sure it aligns with your culture to drive true success.

### DRESSING THE MESSENGERS

Now when it comes to dress code in the workplace, you cannot fall back to one single answer; you need alignment. This means before you take a generic workplace and virtual meeting policy you find online and deploy it where you work, stop and think about where you actually work. Answer this question instead:

What makes you unique? Do you seek to be the best, the most customer friendly, or the most economical provider?

The answer to that question will help you draft your new dress code policy and actually take a successful step to align your culture and behavior of your team members. Each of those three options represent drastically different cultures, all of which can be highly successful with different dress codes, both in person and virtually. Your goal is to match the two together, just like making sure your kids don't go to school with polka dot neon pants and a non-matching top.

### THREE BUCKETS

■ **Best:** If this was your answer, then your dress code both in person and virtually will benefit from being more formal. Think about that high-end restaurant or the high-end car dealer; the dress matches the high price tag and strives to be the best.

■ **Customer Friendly:** For those who picked this one, you will want to continue to maintain a certain level of business casual attire in all situations to keep your brand strong and formal for the professional level of work we do. Focus on not dressing too fancy for your clients, but instead showing them how you can be trusted and depended on.

■ **Economical:** In this area, customers look to you for a consist product at a great value across everyone on the team. For those whom this culture describes, your dress code will shine with consistent styles and color choices. The consistency helps customers feel valued and that they are getting the same level of service no matter whom they work with.

As we all adjust to working more virtually, now is not the time to ditch the idea of business casual and just give in to wearing t-shirts; now is the time to focus on success and growth. With this one small step you can help provide better direction to those in your organization and actually take a major step in aligning your culture and actions, a step for guaranteed success. ■



## How a **HYBRID WORK MODEL** Can Help Your Team in the **NEW NORMAL**

WHAT WILL OFFICES look like after the pandemic? It's a good question that raises an even better one: After a year when teams have worked remotely, how much of post-pandemic life will take place in an office at all. Few accounting practices will abandon the office altogether. Offices facilitate close collaboration and coherent organizational culture.

However, finance managers will also want to safeguard any efficiencies that rose from the pandemic, such as reduced office footprints and more technology-driven processes. A hybrid schedule in which an optimally sized team commutes to HQ while other colleagues work from home is an excellent way to bank the gains in productivity made over the past year — while eliminating the losses.

### WHAT ACCOUNTING PROFESSIONALS WANT IN THE NEW NORMAL

Research from talent solutions firm Robert Half reveals employees are divided on the question of returning to the office. Some have found working from home has improved their work-life balance. Others worry about isolation and wish to rejoin their teams in person as soon as possible.

The most striking statistic is that only 25% of employees want a total return to the office. Furthermore, 1 in 3 professionals said they would quit if they couldn't work remotely at least part of the time. For most practice managers, this means a return to business as usual isn't in the cards.

On the other hand, only 26% of workers want to work from home full-time. Though drawbacks to not being in the office cited in the survey include weaker relationships with coworkers and stunted career growth.

Nearly half of respondents (49%) favor a hybrid schedule, with a mix of in-office and remote working days. This approach would help people maintain their work-life balance while also allowing for essential face-to-face interactions.

### HOW TO BUILD A HYBRID TEAM

A hybrid work schedule presents managers with a new set of challenges. Communication breakdowns pose a risk, and you won't be able to please everyone all of the time. However, you can minimize disruption by following a few basic steps:

#### 1. DEFINE YOUR EXPECTATIONS FOR REMOTE WORKERS

Remote employees have a great deal of flexibility. For example, they can adopt a windowed working pattern, doing, for instance, a few hours in the morning and the rest of their shift in the evening.

It's crucial to agree to these patterns in advance. Be clear about availability requirements, daily targets and the way employees report back to you. Once you've set expectations, people should be free to arrange their schedules however they like when working remotely.

#### 2. ENSURE YOU HAVE COVER IN THE OFFICE

One of the most challenging aspects of hybrid scheduling is figuring out who you need in the office and when. One reason this is important is that you can't expect clients to work around your routine. They'll expect the relevant people to be on-site for in-person meetings.

It's a good idea to map out these requirements before you negotiate schedules with individual employees. Decide how many people you need in the office each day, and make a note of any professionals who are required on-site at specific times.

#### 3. PLAN TEAM MEETINGS

Whether it's a five-minute daily standup or a quarterly strategy review, team meetings are vital forums for sharing best practices, analyzing problems and brainstorming ideas.

Ideally, you'll have an agreed time where everyone is on-site, and this will be your window for team huddles. Failing that, you'll need to decide between holding hybrid meetings, with remote workers calling in to the conference room, or continuing with all-virtual get-togethers. The latter is worth considering if you're worried about remote team members feeling disconnected from their office-based peers.

#### 4. KEEP REVIEWING THE SCHEDULE

Hybrid working will be a new and potentially jarring experience for many. Check in with everyone regularly, and ask questions like:

- Do you feel empowered to complete your duties when working remotely?
- Do you feel included in all relevant team conversations?
- Does technology help or hinder you, and are there any tools that would enable you to communicate and collaborate more effectively?

#### 5. WORK WITH A TALENT SOLUTIONS FIRM

Maintaining a hybrid team is as challenging as building one. Sooner or later, you'll need to hire new staff — a time-consuming process that will impact the balance of your team.

With their networks of skilled accounting professionals, recruiting firms like Robert Half give you access



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to candidates with the profiles you're looking for, whether that's full-time or contract, and on-site, remote or hybrid. And they've been helping companies build hybrid teams before the pandemic, so they have insight that can help you navigate hiring and managing hybrid teams.

### WHAT IF AN EMPLOYEE WON'T COME BACK?

For various reasons, an employee might not wish to return to the office at all. Try to find a solution by:

- **Engaging** — Talk to the employee about his or her concerns. Is the employee worried about the risks of being among people? Or is it a work-life balance issue?
- **Supporting** — Sometimes the employee might just need extra information, such as your approach to vaccinations or worker safety measures. Be patient, show empathy and don't discount someone else's fears just because you don't share them.
- **Accommodating** — If you can adjust your schedule to support an employee's needs without inconveniencing the employee's colleagues, do it. It's a small price to pay for keeping a valued professional on board.

The last year-plus has been tough on everyone, so don't be surprised if your employees are worried about returning to the office — in whatever form it takes. This is where leadership matters. Go to your team with a clear plan and a positive mindset, and there's every chance you'll inspire them to carry their pandemic-era adaptability and resilience into the new normal. ■

## 10 Content Development Hacks for Small Firms By Becky Livingston

IF I WERE to ask you, “Where does content development and marketing efforts for your website rank on your to-do list?” How would you respond? Is it even on your to-do list?

Maybe you buy content from a resource to cover this base. That’s enough, right? Wrong. Why? Because you and hundreds of other firms are using the same content, which is a no-no in Google’s eyes. According to Search Engine People, “Content is extremely important for SEO, without it search engines won’t have enough information to index your pages correctly and help you rank. Google values original content and doesn’t care much for copied or duplicate content.”

### CREATE CONTENT WITH EASE

How can I create original content, without spending a ton of time or money? It’s okay to buy content. The not-okay part is just posting it as it is on your site, like dozens or hundreds of other firms are also doing.

For example, Thomson Reuters’ content, “IRS Provides Guidance on Temporary 100% Expense Deduction for Meals,” could be broken down into many social media posts or even new content. In the article, it mentions that restaurant and business owners can get a temporary, 100 percent deduction on restaurant meals. It also states what does not qualify as a restaurant. Simple social media and email content can be created from boring text. Here’s how.

### EXAMPLE

Using Canva, an online graphic design tool, I created two, graphical posts for Facebook. Total time to create these? About 10 minutes. Their impact? Huge! You have to admit, these are more fun than text alone.

Once graphics are created, post the graphic and the link to your article on social media. The same content can be repurposed in email with a link to the article on your website.



### 10 CONTENT HACKS

Here are ten more ideas for building quick, simple content that packs a punch.

- **Your mobile phone.** On that device alone you have a camera and a microphone, the one-two combo needed to create organic content on the fly. Here’s how to make the content. Think of a client pain point – maybe from an email you responded to earlier in the week or an article you read. Then record yourself giving a tip on how to solve the pain point. Viola, instant video and audio recording. Remember the not-so-shameless plug for your contact information at the end.
- **Artificial Intelligence (AI).** If you haven’t begun using AI in your content development efforts, you’re missing out. Here are some resources (paid and free) to consider:
  - **Quill:** creates meaningful content from data
  - **Wordsmith:** translates data into text
  - **Articoolo:** simulates human writers and delivers unique articles on a given topic and word count specifications (think newspapers)
  - **WordAI:** designed to help you spin articles on demand. If you’re planning to rewrite any existing articles on the web, without running into duplicate content issues, this tool promises to do the job for you.
  - **Article Forge:** automatically researches on any topic, reads an infinite number of articles and then writes the article in its own words.
  - **Marketo:** crawls your site and recommends content based on your assets, such as videos, white papers, case studies, and blog posts.
- **Google Docs & Chrome Browser.** Did you know Google Docs on Chrome offers a transcription feature? Game-changer, right?!? This solution is for those who hate typing and prefer a laptop or desktop to their mobile device. Keep the content simple—focused on one to three points, craft a clever headline, include a call to action, and add your contact information. Voila! Instant blog article.
- **Top 10.** Use your website analytics to view your top content results for a defined time period. Then create a listicle (list article) to share on social media and in email. It’s fast, simple, and links back to other website content. Google loves that.

- **Embrace Slide Content.** Repurpose bulleted lists or data-driven slides on social media. If a slide deck has three bullet-point slides, that’s three social media posts.
- **Share a Poll.** It only takes a few minutes to come up with the poll question and a few options. See last month’s article, *How to Use Polls to Measure Your Clients’ Needs* ([www.cpapracticeadvisor.com/21222700](http://www.cpapracticeadvisor.com/21222700)), for polling inspiration.
- **Industry Statistics.** The crazier the stats, the more likely people will respond to it. For example, this stats from Hosting Tribunal, “40% of small business owners say that bookkeeping and taxes put a strain on running a business.” Or, this one from Balancing Everything, “74% of small businesses don’t understand how ghost assets affect their taxes and accounting books.”
- **Multiple Headlines.** Even one piece of content may be shared on social media multiple times over a period of weeks. Simply change the headline and use a different image, but the same link and hashtags. Hate writing headlines, use an online headline generator for assistance.
- **Holidays.** Reference the National Day Calendar for fun topics you can share on social media. It doesn’t have to be about accounting. It just needs to be about your firm’s culture, history, community, or staff. For example, August 14 is National Bowling Day. If your firm is part of a bowling league, share some photos.
- **Nostalgia.** Throw-back Thursday and Fun-Fact Friday are two days to post content about your firm, its community, or industries it serves. This is a great idea for firms celebrating a milestone year.

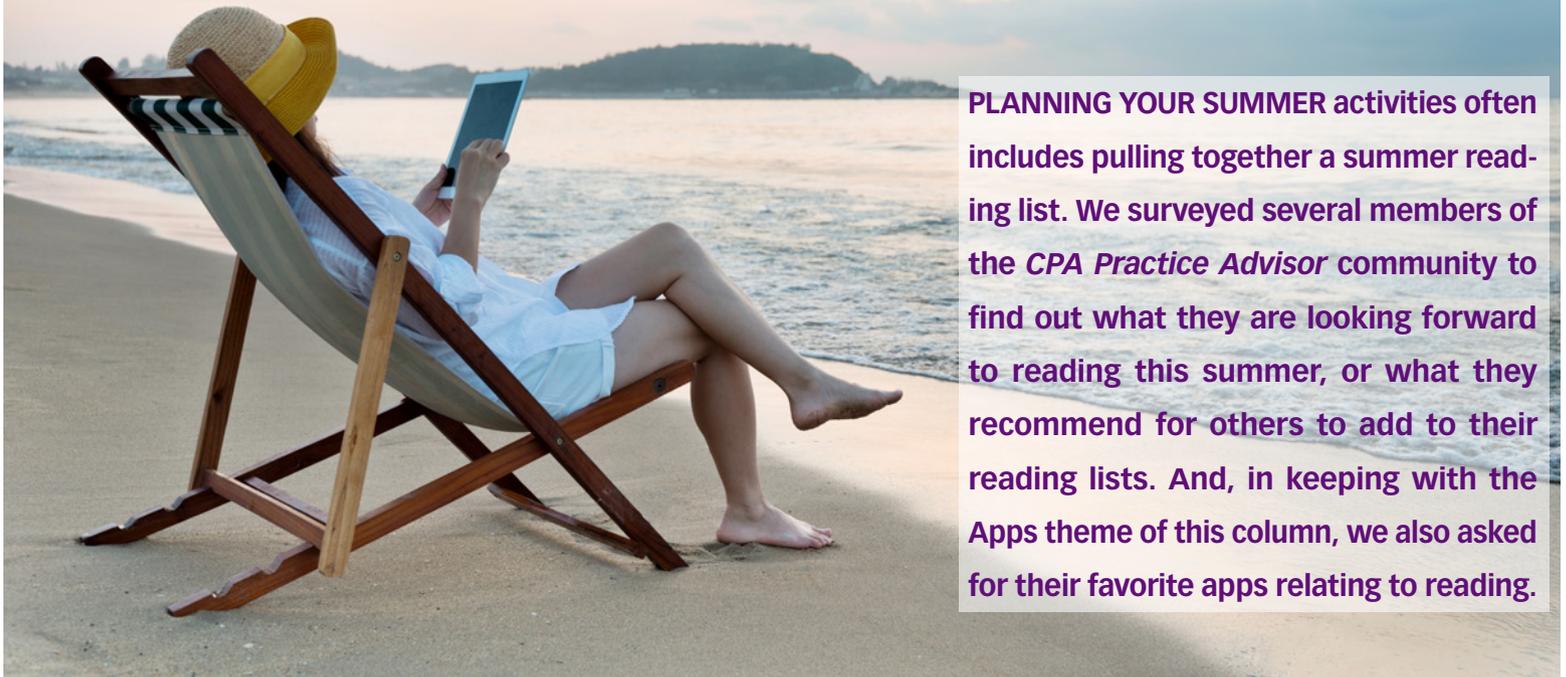
### BONUS TIP – CONTENT OTHERS CREATE

Original content is wonderful. But you don’t have to be the only one creating it. Ask your followers to jump into the fray by sharing accounting pain points, photos of their office or community, office pets, or other topics that put “social” into social media.

Now that you have the means, go forth and create. Put a small amount of time aside each week to create content for multiple postings on social media or for inclusion in a monthly email. I can hardly wait to see what you create. ■

*Becky Livingston is the President and CEO of Penheel Marketing, a NJ-based firm specializing in social media and digital marketing for CPAs. [www.Penheel.com](http://www.Penheel.com)*

## Summer Reading



PLANNING YOUR SUMMER activities often includes pulling together a summer reading list. We surveyed several members of the *CPA Practice Advisor* community to find out what they are looking forward to reading this summer, or what they recommend for others to add to their reading lists. And, in keeping with the Apps theme of this column, we also asked for their favorite apps relating to reading.

**Kevin Bong**, founder at AuditFile, told us that, “The **Goodreads** app is pretty cool. You can connect with other users / share recommendations / common interests, etc.”

**Geni Whitehouse**, CPA.CITP, CSPM, founder at The Impactful Advisor, said, “I love **Audible** for car time! I am listening to a great book right now – **The Book of Longings** by Sue Monk Kid (a novel). And also have **Radical Acceptance** open at the same time on Audible. I go between fiction and non-fiction books. I also use **Libro.fm** to support local bookstores with audio book purchases and am trying to transition more in that direction.”

**Caleb Jenkins**, EA, CQP, leader of client accounting services at RLJ Financial Services, Inc., shared the books that are on his anticipated summer reading list:

- **The Big Truck That Went By: How the World Came to Save Haiti and Left Behind a Disaster** - by Katz, Jonathan M.
- **Becoming Whole: Why the Opposite of Poverty Isn't the American Dream** - by Fikkert, Brian and Kapic, Kelly M.
- **Walking with the Poor: Principles and Practices of Transformational Development** - by Myers, Bryant L.

- **From Dependence to Dignity: How to Alleviate Poverty through Church-Centered Microfinance** - by Fikkert, Brian and Mask, Russell and Warren, Rick
- **Hillbilly Elegy: A Memoir of a Family and Culture in Crisis** - by Vance, J. D.
- **A World Without Email: Rethinking Work in an Age of Communication Overload** - by Newport, Cal
- **The Motive: Why So Many Leaders Abdicate Their Most Important Responsibilities** - by Lencioni, Patrick M.
- **Surviving the Tech Tsunami** by Miller, Gary
- **The Shallows: What the Internet Is Doing to Our Brains** - by Carr, Nicholas
- **Chronicles of Narnia** Box Set - by Lewis, C. S.

Jenkins didn't include any reference to apps, and instead added, “I'm probably different than most in my generation in that I like hardback paper books. I like the ability set aside my technology for a period of time to focus on what I'm reading and take notes that will help me make changes in my way of life.

**Stacy Kildal**, founder at Kildal Services, LLC, shared her summer reading pile:

- **A Furious Sky: The Five-Hundred-Year History of America's Hurricanes**. by Eric Jay Dolin
- **Outposts: Journeys to the Surviving Relics of the**

**British Empire**. by Simon Winchester

- **The River of Doubt: Theodore Roosevelt's Darkest Journey**. by Candice Millard
- **Lost**. by Jame Patterson
- **The Inheritance Trilogy**, by N.K. Jemisin
- **Metropolis: A History of the City, Humankind's Greatest Invention**. by Ben Wilson

**Roslyn Banks**, MAcc, EA, founder at Adelaide Rose, LLC, said, “On my nightstand is my first copy of my brand-new children's book, **Adelaide The Accountant**, which releases on October 15th! I am a huge fan of **Audible** so that I can multitask while I listen hands-free. I love being able to listen in the office and in the car seamlessly without losing my place. I like that Amazon also linked in my favorite podcast by Patrice Washington, **Purpose 2 Platform – The Podcast**.”

**Jean Caragher**, president of Capstone Marketing, told us, “Three books I've read recently would make great summer reads: **The Four Winds** by Kristin Hannah, a saga set during the Great Depression; **The Vanishing Half** by Brit Bennett, explores the lives of black twin sisters and one who chooses to pass as white; finally, **28 Summers** by Elin Hilderbrand, a can't put

down page turner. A true beach read. All read on my **Amazon Kindle** (on my iPad)."

**Sandi Leyva**, president at Accountant's Accelerator, said, "I just finished **Invisible Women: Data Bias in a World Designed for Men**, by Caroline Criado Perez, using my **Nook** reader from BN on my tablet. It was eye-opening."

**Jessica McClain**, CPA.CITP, CISA, PMP, CGFM, controller at Brand USA, told us, "This summer I will be reading **Questions Are the Answer: A Breakthrough Approach to Your Most Vexing Problems at Work and in Life**, by Hal Gregersen. I usually read hardcopy books but if I do read an e-book, it is on an **Amazon Kindle** app on my tablet."

**Arline Welty**, principal at DataQuest Solutions, said, "Summer reading!?! Oh my gosh. Love this one! Here's what's on my nightstand right now:

- Samantha Irby: **Wow, No Thank you**
- Jenny Lawson: **Broken (in the best possible way)**
- Kiley Reid: **Such a Fun Age**
- Resmaa Menakem: **My Grandmother's Hands**

**Richard Roppa-Roberts**, founder at Roundtable Labs and The ProAdvisor Advisor at Quasar Cowboy, replied to our inquiry with this: "Summer is here, and as I watched the temperature cross 120 degrees Fahrenheit this morning, I realized it was time to once again hunker down inside the house for the next few weeks. I have three non-businessy books on my list (as of

today), and I am looking for more. First, a book that was gifted to me last year by Stacy Kildal. And I have yet to read more than 13 pages - and those 13 pages were crazy. I mean, crazy dialed up to 11. The exact thing I like when I need brain candy. **My Way of Life** by Joan Crawford, published in 1971. After that, I plan to read **A Burglar's Guide to the City** by Geoff Manaugh, also a recommendation from a good friend, Melissa Mullet of Corpay.

The third book on my list is **Sex, Drugs, and Cocoa Puffs: A Low Culture Manifesto** by Chuck Klosterman. After reading NOTHING but business books, journals, contracts, and blogs for the last 18 months, I need some brain candy. Although my usual go-to is to read on my iPad using the **Kindle** app, I will be reading all of these the way books should be read - hardcover, in my hands, and no notifications are popping up, taking me out of the moment."

**Jeff Wilson II**, CPA/PFS, CGMA, CFE, CDFA, Advanced QuickBooks ProAdvisor, principal at The W2 Group, said, "**Audiobooks.com** is my favorite app to wind down after a workout in the steam room. I have two books in my read: **The Anticipatory Organization** by Daniel Burrus, and **The Effective Executive** by Peter Drucker."

**Samantha Mansfield**, founder at Samantha Mansfield, LLC, told us, "My phone is always in my bag or pocket and my favorite reading app is **Audible**. Given the activity of summer I get

my reading in while on the move. I have started the book **A More Beautiful Question** by Warren Berger which provokes a number of thoughts, so I stop to spend time thinking about the ideas. For fun I am looking forward to starting another historical fiction book by Rhys Bowen, **Above the Bay of Angels**.

**Sandra Wiley**, president at Boomer Consulting, Inc., said, "I just returned from Punta Cana (which was a wonderful getaway) and I read two terrific books on my **Kindle**:

- **Leading Without Authority** by Keith Ferrazzi
- **Believe It** by Jamie Kern Lima

**Rick Richardson**, CPA.CITP, CGMA, managing partner at Richardson Media & Technologies, LLC, said, "Other than **Kindle**, for research my two go-to apps are **NetNewsWire** and **Pocket**. As for books, I've got one on the 'to read' list so far - **Sea Stories** by Adm. William McRaven. I am also two months into a year-long project to write my first novel. It will be on ransomware. I'll let you know when it's done. Maybe it'll make next summer's list!?"

**Blake Oliver**, CPA, marketing director at Jirav, said, "**Feedly** is my favorite app for keeping up with accounting and technology blogs. I love how it consolidates all the new posts into a single feed. So while I'm on the beach I'll be reading all the latest developments from Intuit, Xero, and more!"

Finally, here are the titles (so far) on my own summer reading list:

- **The Premonition: A Pandemic Story**, by Michael Lewis
- **The Truth Machine: The Blockchain and the Future of Everything**, by Michael J. Casey & Paul Vigna
- **A Year at the Movies**, by Kevin Murphy
- **Why Time Flies**, by Alan Burdick
- **Chevrolet Summers, Dairy Queen Nights**, by Bob Greene
- **Redefining Financial Literacy**, by Cindy Couyoumjian
- **The Flight Girls**, by Noelle Salazar

When I read online, I use **Scribd** and **Libby** as my apps of choice and these are often the places where I'll start a book if I'm not certain if I'm going to like it. Most of the time I prefer books made of paper.

Feel free to expand this list by sharing your own summer reading choices in the comment section below this article. Happy reading, everyone! ■



*AICPA News is a round-up of recent announcements from the institute.*

## 41% of Americans Say Online Shopping Busts Their Budget

Shopping online from the comfort of your home can be easy and convenient, but it also leads to increased spending if you're not careful. Two in 5 Americans (41 percent) say the ability to shop online has made it harder for them to stick to a monthly budget. And with more than half of Americans saying they have increased their overall online shopping (56 percent) since the start of the pandemic and online retailers regularly hosting annual savings bonanzas— budgets beware. This all according to research conducted by The Harris Poll on behalf of the American Institute of CPAs (AICPA) late in the fourth quarter of 2020.

The survey also found that half of Americans (52 percent) say buying things when they want, without thinking too much about how much they cost, makes them feel good. An activity sometime referred to as 'retail therapy.' And concerningly, 2 in 5 Americans (39 percent) say they often don't realize the total amount they have spent on their credit or debit card until they see their monthly statement. ■

Read more: <https://cpapracticeadvisor.com/21227430>

## AICPA and NASBA Release CPA Evolution Model Curriculum

The AICPA and National Association of State Boards of Accountancy (NASBA) have released the CPA Evolution Model Curriculum. The new curriculum is the next step in the CPA Evolution initiative, a joint AICPA/NASBA initiative that is transforming the CPA licensure model to recognize the rapidly changing skills and competencies the accounting profession requires.

The curriculum was developed by the CPA Evolution Model Curriculum Task Forces, a group of more than 40 volunteers from across the profession, including faculty from small colleges to large universities, CPAs in public practice as well as business and industry, and representatives from State Boards of Accountancy. The curriculum reflects the skills newly licensed CPAs need in the current practice environment and serves as a model of how an accounting program could transition to prepare CPA candidates for the Core + Disciplines CPA Exam structure that will test those skills starting in 2024. ■

Read more: <https://cpapracticeadvisor.com/21226856>

## MORE THAN \$125,000 IN SCHOLARSHIPS AND GRANTS AVAILABLE

The AICPA has opened applications for more than \$125,000 in scholarships for CPA Exam Candidates and grants for college accounting students. The funding is provided by the AICPA Foundation, whose mission is to support and grow the next generation of CPAs.

The AICPA's CPA Exam Scholarship offers up to \$1,500 to at least 50 AICPA Student Affiliate members or AICPA CPA Exam Candidate Affiliate members in the U.S. to reimburse fees for taking the CPA Exam as well as Exam preparatory courses and materials. ■

Read more: <https://cpapracticeadvisor.com/21227761>

## AICPA SUPPORTS BIPARTISAN ACCOUNTING STEM PURSUIT ACT

The AICPA says it strongly supports the Accounting STEM Pursuit Act of 2021 because it establishes the accounting profession as a STEM career pathway and supports long-standing efforts to create more diversity in the future accounting workforce. The legislation is an important step in recognizing the clear and logical connection between accounting and technology.

Accounting professionals' use of technology reflects their role as trusted advisors to businesses, non-profits and individuals. For many years they have been using and applying advanced technology such as artificial intelligence and technology-enabled techniques to perform highly sought-after services. As the profession continues to evolve its services in areas like cybersecurity, information integrity and systems controls and its use of emerging technologies and techniques, such as blockchain and data analytics, the integration of this knowledge with quantitative reasoning skills enhances accountants' ability to make informed decisions, solve complex problems and improve the delivery of services in the audit, finance and tax arenas. ■

Read more: <https://cpapracticeadvisor.com/21226502>

## Optimism About U.S. Economy Hits 3-Year High

Business executives are predicting the economy will roar back in the coming year, with revenue and profit growth expectations not seen since 2018, according to the second-quarter AICPA Economic Outlook Survey. The survey polls chief executive officers, chief financial officers, controllers and other certified public accountants in U.S. companies who hold executive and senior management accounting roles.

Seventy percent of business executives expressed optimism about the U.S. economy over the next 12 months, up from 47 percent last quarter, as government relief funds, vaccine rollouts and relaxed workplace restrictions have improved business conditions. It's the first time a majority of executives have held a positive sentiment on the economy since the pandemic began in the first quarter last year, and it's the highest level that measure has reached since the second quarter of 2018. ■

Read more: <https://cpapracticeadvisor.com/21225397>

# AI's Growing Influence Over CPA Services

By Ernie Villany, CPA

THERE'S NO GETTING around the changes that inevitably come with technological advances, and the accounting profession isn't immune to the coming transformations. We need to address what's happening with the emergence of Artificial Intelligence in the accounting profession, the repercussions, and how firms are adapting.

## AI'S INFLUENCE ON THE PROFESSION

We've come a long way from the antisocial CPA stereotype, behind a desk stacked high with documents and dusty coffee-stained ledgers. But shiny new calculators and a new wave of automated systems are taking over. The stack of documents is replaced with zip files transferred electronically and the general ledger is maintained and updated using electronic data extraction tools.

With the implementation of AI, time spent number crunching is all but over for most accountants. Intuit QuickBooks, Xero, and other automation tools are eliminating repetitive tasks and routine decisions. Technology has advanced to the point where software can process almost 100% of the tax return before a CPA even lays eyes on it. AI has its grip on the profession, and its influence will continue to grow.

## PROS AND CONS

With change to any industry comes new opportunities and threats. How you and your firm navigate the pros and cons of innovation will ultimately determine your success:

### PROS

Most accountants agree they'd rather spend time elsewhere when it comes to the more mundane tasks of the job. Thanks to AI, we can now dedicate time to more meaningful work. The commoditization of compliance work will give CPAs time to dig deeper in understanding a particular clients' needs, communicate more effectively, and deliver information that helps them grow their business. With bookkeeping managed by automated systems, there's now room to provide higher-value services and increased opportunities for professionals who possess soft skills, such as strong communication. Those who have these skills can use it to their advantage, translating the complex areas of a clients' return into something

digestible that can be used proactively to create actionable items and achievable goals.

### CONS

The thought of losing your job to automation is a frightening one, but there's no immediate threat to those who choose to adapt early. Your risk will be determined by your response to change.

With new technology making certain job functions obsolete, some job loss is a given. Junior-level staff are particularly at risk, as programs like QuickBooks eliminate basic bookkeeping and accounting needs. This shift has created a strong demand for qualified candidates who fit the new requirements. In an already challenging recruiting environment, identifying candidates who can adapt to change, embrace AI, and provide advisory level services has become increasingly difficult. And the elimination of basic bookkeeping skills has shrunk revenue from services that were once considered accounting's bread and butter. To compensate, accountants now have to focus more time and energy on selling their services as advisors and experts in tax strategies.

The flip side of lost revenue from shrinking services is decreased costs, especially labor, but the high demand for qualified CPAs has also significantly increased salary levels. Many firms are now leveraging third-party solutions to quickly and cost-effectively process large amounts of tedious technical data—creating pathways and efficiencies that didn't exist before. AI is not only helping to save time and money, but it's also instrumental in aiding business owners to gather data and analytics, creating efficiencies such as:

- improved customer satisfaction
- a reduction in collection times
- increasing cash flow
- operational process improvement
- cost cutting

In short, AI is optimizing the use of capital,

assessing, and providing insights that slash debt, build cash reserves, and make smart decisions about investments in technology and people.

If AI and automation are the fuel used to drive the revolution, cloud technology (CT) is the rocket ship. CT is giving CPAs unprecedented opportunities to increase speed, access, and integration. Software such as CCH Axcess offers seamless integration of CRM, time and billing, document management, tax preparation, accounting, fixed asset management, workflow, and communication.

## HOW WILL AI AFFECT THE FUTURE OF YOUR FIRM?

There's no need to change your profession overnight and the robots aren't coming to take your job. However, you may need to prepare yourself to move your firm in a new direction.

Take advantage of the opportunities AI presents, beginning with time saved by automation. Utilize the surplus by highlighting tax planning and strategic services for your clients. AI isn't capable of giving comprehensive feedback, and your clients need direction that a software system simply cannot provide. Tax planning is the jumping-off point for value-based services that could potentially save your clients big money in the long run. Shifting the focus presents the opportunity to re-evaluate your pricing structure, optimally towards value-based service and away from hourly rates. Consider adopting a tiered pricing structure, incentivizing clients to choose a higher tier with more value.

The ultimate change will come in the way clients choose their CPAs/advisors, as they'll be looking for firms with specific core competencies and an ability to understand their unique set of needs. The new bread and butter for CPAs will be substantive connections, as we shift from number-crunchers to strategy and planning experts. ■

*Ernie Villany, CPA is the founder and president of Boulder Valley CPA (BVCPA), a Colorado-based CPA/advisory firm representing clients in 30 states. Ernie has over 20 years of experience in public accounting, helping small to medium-size businesses around the world plan and manage their financial growth, while mitigating tax liabilities.*

# Everything You Need to Know About LLCs to Help Your Clients

By *Nellie Akalp*

POPULAR FOR ITS owner liability protections and flexible tax options, the Limited Liability Company (LLC) is a legal structure option worth exploring for clients who are starting or growing businesses. In essence, the LLC is a hybrid of a partnership and a corporation. Like the corporation, the main benefit is, as the name implies, the owners have limited liability. An added advantage is profits may be taxed like a partnership/sole proprietorship, which passes income through to the owners (members), avoiding the double taxation corporations face.

Unlike corporations, which can exist indefinitely (if corporate compliance is met), most states limit the lifespan of LLCs to 30 years before requiring renewal. To raise money, LLCs can offer percentages of ownership and rewrite the operating agreement to reflect a change in ownership.

LLC company owners are called members, and although the compliance requirements for LLCs are more relaxed than for corporations, there are still some questions your clients may have on member guidelines. Here's what you need to know about LLC member guidelines, including the difference between single vs. multi-member LLCs, member-managed vs. manager-managed LLCs, how to add new LLC members, LLC membership interests, and more.

## STEPS TO STARTING AN LLC

As with a corporation, the steps to starting an LLC begin at the Secretary of State's office:

- **Name search.** Searching the state's database ensures the chosen name of the LLC is not already in use. If the name is available, the owner must register it with the state. Some states require the initials "LLC" to appear at the end of the name.
- **Articles of Organization.** The Articles of Organization is a legal document filed with the state containing critical information about the company such as the legal name, management type, date of formation, names, and information about the members and their obligations. Once the Secretary of State approves the

document, the LLC is recognized as a separate legal entity, and that state is considered the LLC's home state.

- **Acquire a Federal Tax ID number or EIN.** A Tax ID or EIN (Employer Identification Number) is a nine-digit unique number provided by the Internal Revenue Service to identify a business. The business must have a Tax ID number or EIN to open a business bank account, hire employees, file for licenses and permits, and pursue other business activities.
- **Create an Operating Agreement.** The LLC Operating Agreement officially documents the internal organization of the company—the roles and duties of its members and managers. Although not all states require LLCs to have an Operating Agreement, it's recommended to have one because it outlines the LLC's financial and practical decisions. Once agreed upon and signed by all members, the document further protects the owners from personal liability. In addition, the Operating Agreement specifies how business agreements and disagreements are solved and how members may be added or removed.

Once established, the LLC must also adhere to the continuing compliance requirements to remain in good standing with the state. The LLC must file annual reports, hold member meetings, and update the state about any changes to the business, such as a change of address and membership.

## THE DIFFERENCE BETWEEN SINGLE VS. MULTI-MEMBER LLCs

As the term suggests, a single-member LLC has only one owner (member). If there are two or more members, it is considered a multi-member LLC. The owner of the single-member LLC has complete control over the company, and the LLC is its own legal entity, separate from its owner. In a multi-member LLC, the members share ownership, but the business is legally independent of the owners. Multi-member LLCs can have an unlimited number of members (unless it elects to file taxes as an S Corp, which allows for only 100 or fewer members).

For income tax purposes, the single-member LLC is deemed a "disregarded entity" by the Internal Revenue Service, and its profits and losses are reflected on the owner's federal tax return. The single-member LLC may elect to be taxed as a corporation.

Multi-member LLCs are taxed as partnerships with the profits and losses divided evenly among the members unless otherwise specified in the LLC's Operating Agreement. Percentages of ownership are typically called "LLC units." Multi-member LLCs can also file as a C Corp or S Corp if they so choose.

## THE DIFFERENCE BETWEEN MEMBER-MANAGED AND MANAGER-MANAGED LLCs

The owner of the single-member LLC is also considered the manager. In a multi-member LLC, the members must stipulate whether the LLC will be member-managed or manager-managed.

In a member-managed LLC, all the members agree to participate in the operation and decisions of the company. The majority of owners must agree when making important company decisions, including signing contracts and applying for loans. If an LLC does not stipulate otherwise, the state considers the LLC member-managed by default.

Multi-member LLCs can choose to appoint a manager (or managers) to run the entity. In a manager-managed LLC, one or several members can be in charge of daily operations and making company decisions. Other members of the LLC can participate or have a passive role.

The management type and names of the managers should be outlined in the Articles of Organization. Document any specific responsibilities in the LLC's Operating Agreement.

## HOW TO ADD NEW LLC MEMBERS

While adding new members is not a difficult task, your client should consider all the ramifications involved. For instance, a new member/s could mean a new source of working capital and/or additional strategic expertise. However, the percentage of ownership of all current members is reduced, and it may be harder to make company decisions with more voices wanting to be heard. Before adding new members, advise your client to think through all possible advantages and consequences.

Next, the LLC members need to review the previously agreed-upon procedure in the Operating Agreement for adding members and check to see if there are additional state guidelines. Following a written process proves the company operates as its own entity. The terms of the ownership structure dictate what rights and duties the new member takes on. Make sure your clients document their decisions.

Finally, all members are required to vote to add

a new member/s and sign any amendment made to the Articles of Organization/Operating Agreement. The amendments then get filed with the state

States don't put many restrictions on who can be a member of an LLC. Members must be over 18 years old and do not have to be U.S. citizens. Members don't even have to be a person—other entities, such as corporations, S Corps, LLCs, and trusts, can be members.

## HOW LLCs CAN RAISE MONEY

An LLC can raise money by offering members a percentage of ownership interest or LLC membership units. Members with interests have a stake in the profits of the LLC and typically have a voting interest. LLCs are not restricted in distributing membership, and the amount of monetary investment does not have to equal the amount of interest the member receives. Member interests can also be transferred or sold.

Your client needs to comply with the agreed-upon rules for dispersing member interests outlined in the LLC Operating Agreement. Member interests should be consistently summarized as percentages



# LLC

## LIMITED LIABILITY COMPANY

- ✓ Name search
- ✓ Articles of Organization
- ✓ Acquire a Federal Tax ID number or EIN
- ✓ Create an Operating Agreement

or units. What will be accepted for member interests should also be specified (for example, can a member receive interest only in exchange for cash, or are member services acceptable?).

Lastly, the LLC must keep all documentation and maintain good records about member interests in the Operating Agreement. Membership certificates, transfers of interests (called Membership Interest Assignments), and member interest balance sheets are vital records to keep on hand in case the LLC's activities are ever called into question.

The LLC is a flexible and beneficial legal structure your clients should consider when starting or taking their businesses to the next level. The more you know about LLC member guidelines, the better you can steer them to make informed decisions. ■

*Nellie Akalp is a passionate entrepreneur, business expert, and mother of four. She is the CEO of CorpNet.com, a trusted resource and service provider for business incorporation, LLC filings, and corporate compliance services in all 50 states. Nellie and her team recently launched a partner program for accountants, lawyers, and business professionals to help them streamline the business incorporation and compliance process for their clients.*

## 6 Effective Strategies for CPAs to Build Trust with Clients

By Lyle Solomon, J.D.

**C**ertified Public Accountants (CPAs) are trusted financial advisors who assist people, businesses, and other organizations to plan for, and achieve their financial goals. They work for both small and major public accounting firms. They offer advice on a variety of topics, including taxes and accounting. Traditional accounting services concentrate on preparing and evaluating financial data according to accounting standards and procedures.

On the other hand, advisory services help firms with succession planning, wealth management, acquisitions, cash flow planning, payroll, and system reviews, among other things. These are highly specialized services that are matched to the client's requirements and demands.

The nature of accounting professionals' services is constantly changing in today's world. This creates a need for trust, relationships, and professional ethics that have never been greater.

People may believe that the only choice for CPAs to build trust with their clients is to offer free advice. However, giving free advice all the time will not result in getting paid. CPAs need to do something different to earn future clients' TRUST without wasting their time and expertise. Here are six strategies CPAs should follow for building trust and relationship with clients:

**1. Create value for money** - Businesses are hesitant to hire CPAs unless they believe their services are cost effective.

Traditional compliance services, such as auditing, taxation, and so on, were considered cost-effective, and business owners were quite impressed with the value received from spending money on them. However, the wide range of services provided by CPAs today, such as succession planning, payroll, cash flow planning, corporate finance, investments, and wealth management, creates a significant barrier for customers to consider these services cost-effective.

As a result, CPAs must improve both their strengths and weaknesses to get more visibility for their clients.

They also need to do a SWOT analysis, to determine how they are performing compared to their competitors, discover chances for value creation, and decide which tactics will help them achieve this value.

Also, accountants must focus on offering high-quality services in both traditional and diverse areas. They should try to find their niche and focus on creating value in that niche.

CPAs should also advertise their knowledge and skills by writing blog entries, providing articles to various media platforms, and hosting seminars.

**2. Provide a demo of your work** - Tell your clients WHAT you'll do for them rather than HOW you'll accomplish it. You can't offer them all the answers when you don't have a signed agreement with potential clients. They want to know what you can do for them.

Of course, you'll have to offer them some answers (at a high level with no specifics). You'll confidently disclose the outcomes you can achieve without revealing how. If you show them everything, they might go down the street and ask another CPA to do the same work for less money!

While efficiency is a desirable trait in a CPA, you should always return to your clients with exact, polished work rather than rushing through it. You won't impress clients with hasty work, and they're less likely to stick with you if they don't feel like you're paying attention to them. CPAs should make every effort to make sure that their clients understand how serious they are about their work.

**3. Be open and honest** - Transparency is necessary for establishing a trustworthy relationship with clients. It starts with effective communication.

Be honest with your customers. As a CPA, have clear conversations to discuss and set expectations. You should discuss how much you will charge and what services you will offer. You must also discuss security policies and how you plan to protect their data.

This is when your firm's engagement letters come in handy. You should outline both parties' expectations in the engagement letter so that you're in agreement with each other. Avoid using complex accounting language when discussing objectives, pricing, and regulations with the clients. Most people aren't familiar with typical accounting terms and will appreciate it if the CPA uses words that make sense to them.

Make an effort to create an open, welcoming atmosphere where clients can freely ask their questions and provide feedback.

**4. Train your clients on a regular basis** - Never lose an opportunity to demonstrate your expertise if a client faces a problem and seeks your opinion.

When you communicate, make every attempt to explain to your clients the technical aspects of any problem they are facing. This will help them understand what is going on in the background. It also gives them context of the work you, as a CPA, will do to solve the issue.

Once you start exchanging knowledge with your clients, it will help your accounting firm grow trust and goodwill. This is because the clients will have a clear view of any financial discussions and decisions. Clients will place a higher

value on your services, and you will have more meaningful conversations with them about their business. Clients will trust your ideas and suggestions more.

CPAs must ensure that their clients know compliance rules, financial terminology, and other processes involved. For that reason, you can take the initiative to train your clients, whether in person or by email, so that you can establish a personal relationship and gain their trust.

**5. Be proactive and available** - Don't always expect your customers to come to you. Reach out to them to let them know you're thinking about them. Sending clients things that they might find beneficial is one unique approach to being proactive in maintaining relationships.

Your clients will learn to trust your intentions and become more receptive to your suggestions if you frequently keep in touch. If your clients appreciate your efforts, you can go a step further and help them make future plans. Making time for your clients shows them how important they are to you. But that doesn't imply that you should drop everything the instant they contact you.

Make it clear that you have other clients and duties, yet want to be available to them. Establish boundaries through a preferred method of communication. It might be through email, a client portal, text message, phone, or face to face. Respond promptly to their questions, concerns, and requests when they contact you.

**6. Follow up with the old clients** - As a CPA, you shouldn't focus on acquiring new clients so much that you overlook your existing ones. You might choose to focus on the clients who give you more business than others. You should provide excellent services and follow through on all contracts. Make sure you have a system in place to keep track of all your work, responsibilities, and the deadlines you promised.

Last but not least, build trust with potential clients using tools like Yelp and LinkedIn. Social media channels help to promote your services and offer assistance to client questions or complaints. Clients can write testimonials and reviews for your service, and you can publish articles or material that will help you prove yourself as an expert.

CPAs should educate themselves on the advantages of technology, such as how it can improve advisory services, save time for accountants, increase client retention, and encourage value pricing. This type of social activity can be a distinctive approach for CPAs who wish to build trust. ■

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## 4 Essentials of Process Improvement

WHEN I TALK to firms, I notice a common pitfall. Firms talk about process improvement in terms of a single initiative or something they did. But to get the full opportunity that comes from improving your firm's processes, we need to have the larger approach in mind.

Process improvement shouldn't be something you *did*; it should be something you're *doing*. It demands continuous improvement — always looking at how your processes could be better. Technology, client demands and even the expectations of our internal staff members are constantly changing, and we need to continue working to keep up.

To ensure your firm is taking a holistic approach to process improvement rather than getting tunnel vision around the next project on your list, you need to have the following essentials.

### A PROCESS IMPROVEMENT LEADER

If you haven't designated one person as the project improvement leader, your firm will struggle to keep process improvement initiatives on track. Everyone is busy, so someone needs to be in charge and accountable for guiding individual projects to a successful completion.

Of course, other people will fill out your process improvement team — the leader isn't solely responsible for getting the work done. But the leader will ensure you're moving your strategy forward.

### A PROCESS IMPROVEMENT STRATEGY

Every process improvement initiative should support the firm's overall goals and strategic plan. If you were to look at your firm's strategic plan right now, you would likely see goals relating to the different areas of the firm: tax, audit, advisory, client accounting services, operations, administrative, etc. How does process support each of those areas?

A process improvement strategy that supports the firm's strategic plan ensures you always know what initiatives you should focus on this year, what projects are on the horizon for next year, and what processes may need to change based on technologies you're planning on incorporating in the near future.

Your strategy should include objectives, metrics, planned outcomes and who is responsible. Again, your process improvement leader will be responsible for process improvement as a whole, but individual projects will have their own point people.

### A PROCESS IMPROVEMENT TIMELINE

We all know that CPA firms are cyclical in nature. There are times when certain teams are bogged down with client work and times when people have more capacity to take on process improvement initiatives. That's why you need a process improvement timeline that's built into the year-by-year flow of your firm's work.

Creating a timeline helps you think through the best time to initiate and implement specific projects and ensure you have the time and other resources available.

### A PROCESS IMPROVEMENT BUDGET

Whether you realize it or not, your firm is spending money on process improvement. However, that spending might not have its own line-item on your firm's budget. Instead, process improvement costs

may be hidden in your technology budget, different departmental budgets, or even admin areas.

It's time to bring that spending to light with a dedicated process improvement budget. Whether you have an internal role focused on process improvement or bring in outside expertise, you need to allocate resources to ensure process improvement is elevated to the level that it should be. Otherwise, these initiatives can be overlooked because there's no place for those resources and time to be accounted for.

Your process improvement won't be the same from year to year — your spending will depend on the projects identified in your strategy. But start thinking through what you anticipate needing to invest in terms of internal time and additional resources and start working that into your operational conversations.

If you have all four of these essentials, congratulations! Your firm is taking a long-term view of process improvement, and you can focus on continuous improvement. If you're missing any (or all) of these elements, start looking for ways to move the needle. ■

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What's New in the World of QuickBooks



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August 13	Friday the 13th
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