BOOMER
CONSULTING, INC.

Build It or Buy It:

THE FUTURE OF TECHNOLOGY IN ACCOUNTING

A BOOMER ADVANTAGE GUIDE

Years ago, a Top 100 firm wanted to replace their existing document management system. After evaluating the available options on the market, firm leaders decided none of the off-the-shelf solutions quite fit their needs. So why not build their own?

The firm invested over $1 million into building an internal document management system, and for the first few years, the investment paid off. After all, it was custom-built to the firm's exact specifications. But as the years went on, the firm grew. Its needs changed, technology changed and client needs evolved as well. As a result, the homegrown solution became an albatross. Firm and IT leaders eventually determined that they would need to invest an additional $1 million to update the document management system to fit today's needs.

From Top 100 firms to 20-person teams, firms regularly struggle with the decision to build or buy when it comes to software. Traditionally, firms built solutions because vendors were not addressing niche processes. However, that's changed with the cloud, open APIs, and native integrations.

Affordable, integrated and scalable solutions to address just about any firm or client need are now widely available. And they're helping firms grow without the cost of investing in mainframes, data inventories and data centers.

If you're currently considering the build versus buy question, this white paper will help you think through the decision with a look at the collaboration needs of accounting firms and factors to consider.

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ACCOUNTING COLLABORATION: AN EVOLVING LANDSCAPE

Technology has fundamentally changed the way people communicate at home and work.

Many of us can remember when we primarily communicated with coworkers and clients by talking directly to them. We met face-to-face or spoke on the telephone with some mailed or faxed correspondence when necessary.

Today, you may collaborate with clients and colleagues worldwide using instant messaging, document sharing, video conferencing and workflow tools. We have seemingly limitless options for transferring information from one person to another.

The sheer number of applications used in an accounting firm can be overwhelming. Different vendors provide different pieces of the audit and tax process. No one vendor provides a holistic solution covering audit and tax, document management, workflow, practice management and more. So it's not surprising that firms consider building a custom solution to address many of those needs.

But predicting how your firm's needs and client needs will change in the next five to ten years can be tricky. Just consider these emerging technologies and how they're being used today.

Virtual and augmented reality.

Auditors at RSM have used Microsoft's HoloLens augmented reality headset to review audit workpapers in Japan and complete inventory observations on an ethanol plant in Iowa without ever leaving their offices in Minnesota. [i]

Integrated video conferencing.

Video conferencing has been around for decades but wasn't used widely until the pandemic forced businesses to transform. Zoom's daily users went from a previous maximum of 10 million to more than 200 million in March of 2020. [ii] Video platforms like Zoom and Microsoft Teams are becoming a standard integration into many applications.

Artificial intelligence (AI).

Consumers are demanding round-the-clock service. In 2020, chatbots responded to 85% of customer service interactions, and the global AI market is predicted to snowball in the next few years, reaching a $190.61 billion market value in 2025. [iii]

Blockchain.

In recent years, blockchain has evolved far beyond cryptocurrency and is now being tested in a wide range of business and financial applications. The AICPA predicts that auditors' roles and skillsets will change as blockchain-based techniques and procedures emerge. [iv]

Were these developments on your radar five years ago?

You can't build technology to address challenges, opportunities, and client needs that you don't anticipate. If you ask your clients what they need, they'll tell you what they need today. They don't know what they'll need in five years.

CRUCIAL CONSIDERATIONS IN THE BUILD VS. BUY DECISION FOR COLLABORATION TOOLS

Developing a purpose-built solution in-house may seem like the best way to address a specific collaboration challenge in your firm. But it can require an incredible amount of resources—particularly in the budgetary and personnel realm—to create, implement and maintain.

Here are some crucial areas to consider when deciding to build or buy.

Expertise

Your firm might consider building software to address a specific problem within a department.

Your IT department is accustomed to addressing projects with a limited, well-defined scope. But building software needs to account for complex business processes that may span multiple departments and require collaboration with external parties. As a result, your best people will spend countless hours building a solution that may already exist and is proven in the market.

In most cases, an external vendor has already solved the problem hundreds of times and can bring your firm and its clients the benefits of best practices based on lessons learned in other firms.

Accounting firms use Suralink for all kinds of engagements.

Suralink started to help firms securely collect documents from individual audit clients. Today, firms use it for business tax, audit, client accounting services, and more. Your clients don't have to use several different solutions to exchange documents with different people or departments in your firm. Our dynamic PBC request list and assignment workflow solution with a secure file hosting platform serves as a single location for client interaction.

Cost

If your existing team doesn't have the expertise to build the solution internally, you will need to invest in custom development. This requires hiring in-house developers or sourcing the project to a third party. Either approach involves a hefty price tag.

The initial cost of developing a custom software solution typically ranges anywhere from $500,000 to $2,000,000, [v] but large-scale projects involving multiple features, third-party integrations, and data migration features can cost much more.

Beyond the initial development costs, you'll also need to invest in implementation and training, ongoing maintenance, and new features. In-house development usually requires years of continued development beyond the initial project scope.

When you work with a solution provider, they take on the burden of product development, quality assurance, maintenance, platform migration, and ongoing user support. They may also offer training resources for your initial rollout and new hires.

Because solution providers have a large customer base, they benefit from economies of scale. It typically costs a lot less to implement and maintain an established solution than it does to develop and support homegrown software.

Work with the leader in request list and document management.

Suralink's cloud-based application integrates a dynamic request list with assignment and approval workflow with a secure file hosting platform to serve as a single location for client interaction. Our technology, combined with our industry expertise, helps more than 750 clients in North America, Europe and the UK ensure security, simplicity, transparency, and accountability throughout the document exchange process.

Security

Accounting firms have access to a lot of sensitive client data, so a data breach can be catastrophic. In fact, according to IBM's 2021 Cost of Data Breach Report, the average cost of a data breach is $4.24 million. [vi]

If an application is open to users outside of the firm, security that scales to support thousands of users across the globe is vital.

Does your third-party development team understand the unique security needs of accounting firms? Will your homegrown solution comply with SOC2 criteria, the California Consumer Privacy Act (CCPA), and the General Data Protection Regulation (GDPR)?

Accounting firms are held to high security standards, but security is rarely top of mind for employees and clients. You need to enforce security protocol at the firm level instead of leaving it up to your clients.

Reputable solution providers that serve the accounting profession understand this and can better ensure that your firm, employee and client data remains secure.

Ensure that you and your clients' financial, personal and payment data remain secure.

Suralink inherently understands the importance of data security and has built enterprise-level security into every aspect of the platform.

Evolution

Technology is evolving much faster today than it did a few years ago. An internally built solution might address the challenges and opportunities that your firm and its clients are facing today, but what about five years from now? Ten years from now? You have to be committed to constantly evolving and developing your software.

Will your internally developed solution keep up as best practices, standards, regulations, and market demands evolve?

Solution providers usually allow key users to have input to new features and release product updates regularly. The vendor will also help deploy product upgrades and train users on new features.

Just a few years ago, managing PBC lists and collaborating on them was extremely difficult.

Firms relied on spreadsheets and email and wasted time managing both manually. Doing a remote audit or end-to-end digital tax engagement was virtually impossible because there were few organized and secure options for transferring documents.

Portals were an option, but they were clunky for clients and didn't support collaboration and real-time communication.

When Suralink's PBC collaboration solution entered the market, it checked those boxes. Once firms realized this, the new technology took off, and portals quickly became a thing of the past.

Employee Experience

Employees want to be able to do their jobs well. Having the right tools is part of that, as easily communicating and sharing documents securely leads to higher employee satisfaction and retention.

Your software should:

- Be simple and easy to use so your team can collaborate and communicate without friction
- Allow your team to work together in real-time so multiple team members and clients can work on different pieces of the engagement at the same time
- Allow for clear assignments with due dates and delegating responsibility
- Help you track the progress of engagements so you can always tell who has provided what and when
- Allow sharing of necessary resources and information, including large files and unusual file types, such as video, QuickBooks exports, etc., quickly and securely
- Facilitate remote work, as your team, clients and third parties may be scattered across the globe

Quickly upload files for easy access and get immediate insight into projects and engagements.

Suralink's cloud-based platform allows you to transfer any file, size, or type in seconds wherever your team members and clients are located. You can also increase the speed and effectiveness of client communications by adding comments specific to each request. And with real-time dashboards, you always know exactly which documents have been requested and submitted. A timeline of engagements provides a clear audit trail and accountability.

Client Experience

How will your homegrown solution improve the client experience? If you don't get the client experience right, you'll find the firm struggles to meet revenue goals and grow organically.

Any client collaboration solution you build or buy absolutely must support a superior client experience. Many clients are hesitant to learn new software. Established solution providers can help you position the new software as a benefit that will improve their experience and save them time. They can also provide training materials or direct training to help clients get up and running.

"Did I send the right file? Did you get what you're looking for? What else are you waiting on?"

These conversations are a thing of the past with Suralink's secure and dynamic PBC request list and document management portal. Suralink helps you automate, streamline, and track the audit documentation process for every engagement and accountant in your firm.

CLIENT CASE STUDY: MNP

MNP is a leading national accounting, tax and business consulting firm based in Calgary, Alberta, Canada. The firm has 117 offices, more than 7,100 team members, and serves clients worldwide.

MNP's Assurance Innovations Team is constantly looking for ways to make the firm's audit engagements high velocity and lower touch.

"One of the aspects of audit that chews up a lot of time and has little value is managing the PBC request list," said Darryl Humphrey, Ph.D., PMP, and Advisor of Assurance Innovation for MNP. "This is a difficult area to automate because every client and engagement has nuances. But some fundamental tasks are the same from audit to audit."

Historically, MNP had managed PBC request lists using Excel spreadsheets and email. They also built a client portal and tried some other PBC list solutions built on the spreadsheet foundation. But as the firm grew, they needed something more.

Their search led them to start using Suralink in early 2021.

Humphrey knows a crucial step in introducing new tools to the firm is getting buy-in. *"In the assurance space, people are trained to be skeptical. Introducing a new tool raises eyebrows initially,"* he said. *"Our team didn't just drop it on people. Change management starts when we start looking at tools, not when we pick one. We made sure we had the right people involved so that by the time we selected Suralink, 'change' discussions were already being had with our team members."*

That approach, combined with Suralink's training resources, helped the assurance team quickly get up and running with Suralink.

"Suralink gave us everything we needed to train the engagement team," Humphrey said. "We held 11 training sessions and set up a system on our internal portal where people could watch training videos and then answer a few questions about the video so we'd know they completed the training."

Now, well into MNP's second calendar year using Suralink, it's being used in 11 different audit niches in the firm. "As people gain experience using Suralink, there has been good organic growth in its use across the firm. We've had nothing but positive feedback from the team and clients," Humphrey said.

Humphrey appreciates that beyond managing the PBC list, Suralink provides an audit trail of who did what when. "Efficient, cost effective audits are about coordination and organization," Humphrey said. "We wanted the ability to track metrics around client readiness. In other words, if there was a delay, did that occur on our side or on the client side? Are there other patterns we can do something about right now or in the future?"

Before using Suralink, an audit team member could regularly spend many hours managing the PBC list. On a large audit, that can be several hundred hours over the course of the engagement.

At the end of 2021, MNP surveyed employees about their experience using Suralink and found that on large audits, time spent managing the PBC list was cut in half. On small audits, they save roughly 21% of the time.

Employees also appreciate that Suralink eliminates the need for laborious document tracking. "When you lift a burden like that, team members are happy about it," Humphrey said. Employees gave Suralink an overall satisfaction rating of 89% in the internal survey.

Clients are happy, too, because they know where everything is and have complete visibility into the progress of the audit. "Clients have the same issues as the audit firms," Humphrey said. "They have several employees working on the audit and documents can be all over the place. With Suralink, they can go into a central dashboard and see exactly what's needed and where it is. That's powerful."

Suralink is also valuable for collaborating with clients and third parties in other countries, where people might be communicating across an 11-hour time difference. "In those situations, it's difficult to do real-time, face-to-face communication. Suralink keeps the workflow moving," Humphrey said.

While MNP has the expertise and resources to build an internal PBC request list management solution, it was a deliberate decision to buy rather than build.

"When you find a tool that does what you need it to do, it's almost always cheaper in the long run to license that tool," Humphrey said. "Suralink has the logic in place to manage many-to-many communications and access control. Building all of that is complicated. It would take a really good team several years to build something like that. The Suralink team is very knowledgeable about their tool and the problems they solve. That's good for us as a user."

CASE STUDY: ARONSON LLC

Aronson LLC had been using Citrix Sharefile for sharing documents with clients for over a decade. While that solution was adequate for exchanging one or two documents, it wasn't tailored to the assurance process.

When an employee who'd used Suralink in a previous role joined the firm and recommended it to Azunna Anyanwu, Chief Technology Officer at Aronson, he decided to look into it as well as some other comparable solutions.

While Anyanwu performed his own analysis of the solution, the final decision was left to a cross-sectional committee of tax and audit team members — an approach that is central to how Anyanwu operates.

> *"While IT can choose a platform independent of the business users, you're going to have an uphill battle with adoption, especially if the platform doesn't adequately address their needs or introduces other challenges" Anyanwu says. "Massive implementation projects fail if you don't have shareholder buy-in."*

After evaluating several potential solutions, the team chose Suralink.

> *"The auditors loved it," Anyanwu recalls. "Suralink felt like it was more polished, had a better user experience, and made it easy to get clients on board. Plus, they provide support if clients need help with the platform."*

Initially, Aronson rolled out Suralink only to the audit department, but the firm's tax department started using Suralink within the first year.

> *"Suralink is our only supported platform for clients that need to share files with us. Some of my guiding principles are simplicity, cloud-first, security, and avoiding duplicate tools," Anyanwu says. "So I made the call that we would not support both Sharefile and Suralink after a short transition period."*

While a few clients initially had questions about security, Anyanwu made himself available to answer questions and put their minds at ease. Now, employees and clients both appreciate how easy it is to collaborate on the Suralink platform.

"Before, we might ask a client to send a K-1, and they'd send the wrong file. We'd email to ask them to send the right file. The client is confused, and now we need to get on a call. But Suralink's statuses and comments give you context. It cuts down on emails, instant messages, and follow-up calls," Anyanwu says.

While Aronson doesn't track metrics specifically around how much time they've saved by switching to Suralink, Anyanwu does track usage of the platform. They currently have 2,300 active clients on the platform, and around 90% of the staff use it weekly, if not daily.

Besides improved security, simplicity and collaboration, the firm has also benefitted from having less data stored on its local network. Before implementing Suralink, people had to download files from Sharefile to a network shared drive, then upload those same files to CCH Axcess, Caseware, or another cloud-based system. Now, with Suralink's drag and drop functionality, people do a lot less downloading.

"That's important because it means we don't need to worry about managing retention for those files. We also reduced our backups and storage needs," Anyanwu says.

Anyanwu says he initially thought there would be clear segmentation between how the audit and tax teams would use Suralink. But the Aronson team quickly realized the benefits of sharing files securely, having an audit trail, and collaborating outside of their email inbox.

"Our tax department even came up with an electronic organizer format in Suralink. It's a lot better than having a bunch of documents dumped in a folder," Anyanwu says. *"Because of the flexibility of the Suralink platform, we were able to give access to everyone in the firm while improving security."*

What's more, the firm has won new business, in part, due to its move to Suralink.

"Before we moved away from Sharefile, we lost a proposal because we were using Sharefile," Anyanwu recalls. *"However, the client ran into issues with their other firm, and they were back six months later. By that time, we'd moved to Suralink. The client was excited and we ended up winning the work."*

CHOOSING THE RIGHT APPROACH FOR YOUR FIRM

No one solution will address every opportunity or challenge your firm and your clients face. But good software should address all the concerns noted above. Before you take on the time and expense of developing and supporting a homegrown solution, look at the options that are already available in the market. Consider whether an existing solution can get you most of the way there.

If your current software vendors (or another reputable solution provider) already have the features and functionality to meet your needs, buying is the easiest and least costly option.

When you work with an established solution provider, you gain an advocate invested in your success. When your firm wins, your solution providers win. This motivates them to bring solutions to the table far beyond the features and functionality they're currently known for. They're not just trying to solve current problems but looking ahead to identify challenges on the horizon.

In many situations, it's simply better to buy than build. Your firm would benefit from a commercial solution if:

- Building software is not a core part of your business model
- There are solutions on the market that address your business challenges
- Your internal resources are limited, and you need to focus on core competencies rather than software development
- Fast deployment is a higher priority than a fully customized product

With so much available from tried and tested vendors offering software in the cloud at different price points — and supported by a variety of add-ons and integrated applications — it's no longer necessary to build your own.

Next Steps

Create a technology steering committee. Firms make a common mistake of labeling most (if not all) strategic initiatives as IT projects rather than firm projects. A cross-functional technology steering committee can create a more balanced collaboration because it has representation from all levels and service areas of the firm. This takes some of the pressure for execution off of IT.

Take stock of what you already have. Before investing in new technology, look at what you have and how you're currently using it. You may find you have an opportunity to leverage existing technology in a new way rather than adding something new. At the very least, understanding the technology you already have and how it can integrate with other technologies will influence new product evaluations.

Make a list of your requirements. If your existing technology doesn't meet your needs, make a list of requirements for your new solution, keeping your firm's long-term strategic objectives in mind. Your assessment should answer five questions:

- Which technologies do you want to pursue?
- What objectives do you want to achieve?
- Who should be involved in evaluating and implementing the solution?
- What is the timeline for evaluation and implementation?
- How will you roll it out to your team and get people trained?
- This assessment will give you a clear idea of what you want before evaluating new solutions and help you vet what you find in the market.

Evaluate potential solution providers. Consider how they are using and thinking about emerging technologies, such as artificial intelligence, machine learning, and robotic process automation

Align processes with technology. Once you've decided on new technology, how will it align with your process? Whenever you implement new tech, it's crucial to review your old processes and update them. Firms that build or buy new solutions but skip this critical step often blame the technology for not working as well as it should. In reality, the problem stems from misalignment. Even the best technology will fall short if it's not aligned with process.

·Roll it out. Once you've selected your new tech and updated your processes to get them in alignment, it's time to roll the new technology out to your department or firm. Make sure your rollout plan includes educating your team on how you got to this point and how to use the new technology. Learning a new system is a big change, and change is hard. When you educate people on why you selected this new solution, you'll prevent some of the inevitable pushback that comes with asking people to change.

Provide ongoing support. After the rollout, continue to check in with people and give them an outlet for feedback. Schedule regular check-ins and an annual refresh to ensure it's still working well. Your firm's ability to keep up and deliver value to its clients depends on how well you harness the potential benefits of new technology. Make sure you're taking the steps necessary to take advantage of the opportunities new technology brings so you and your clients can reach your full potential.

Join a peer network. With the speed of change today –in technology and all areas of the profession –it's impossible to keep up if you operate in a vacuum. A peer network can point you toward solutions you hadn't considered.

When you follow the steps above, you'll be able to invest in software not just for today but for today and beyond.

ABOUT THE AUTHOR

Boomer Consulting, Inc.

Boomer Consulting, Inc. provides communities, consulting and training to hundreds of the highest performing CPA firms. Most CPA firms struggle with how to grow and maintain relevance. So, we've developed a unique model that focuses on the five areas critical to a firm's success and future-readiness: Leadership, Talent, Technology, Processes and Growth.

For more information about how Boomer Consulting, Inc. can help your firm minimize dangers, capture opportunities and optimize strengths, visit www.boomer.com or email solutions@boomer.com.

Suralink

Suralink is the leader in request list and document management, helping businesses simplify the document exchange process while improving the client experience. The company's cloud-based application integrates a dynamic request list and assignment workflow solution with a secure file hosting platform to serve as a single location for client interaction. Suralink's technology, combined with its industry expertise, helps more than 750 clients in North America and the UK ensure security, simplicity, transparency, and accountability throughout the document exchange process.

For more information about Suralink's leading request list management software, visit www.suralink.com or email sales@suralink.com.

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