



Firm Growth Checklist: Eight Ways the Cloud Improves Client Service and Profitability

Introduction

There are three ways to grow an accounting firm: Keep existing clients, add new clients or grow profits through new efficiencies and higher-value services. In a well-aligned firm, all work should be performed with an eye toward all three goals. While bringing in new clients is important for growth, sustainability also depends on holding onto existing clients and making those relationships more profitable. According to the 2013 AICPA Top Issues survey of accounting firms, the most-pressing challenges vary somewhat by the size of a firm, but many are related to profitability:

- All firms included bringing in new clients as one of their top five concerns.
- Sole practitioners and midsized firms ranked client retention as a top five concern.
- Smaller firms worry about workload compression during tax season and how to remain profitable outside of tax season.
- Larger firms identified owner/partner accountability as an important concern.

Even after a great tax season, successful firms don't rest on past success. Bringing in new clients is important, and so is holding onto existing clients, making those relationships more profitable, and figuring out how to deal with fee pressure without devaluing the firm's work.

Clearly, to achieve growth, accounting firms must find time to offer new and better services to clients and improve business development efforts — all while not dropping the ball on any existing projects. In short, firms need to work more efficiently and effectively. To do that, future-ready firms must take advantage of technology such as cloud-based applications and mobile devices that empower professionals to work anytime, anywhere and be more responsive to client needs. This guide outlines eight ways that the cloud can help firms achieve growth.

Streamline Processes with Common Data

To deliver high-quality work, a firm needs efficient processes that align with business strategy. For most firms, that means establishing a 100 percent digital and paperless tax preparation procedure. A cloud-based tax workflow using a single common core database enables a firm's professionals to have easier access to returns and client information while maintaining better information security than paper-based processes. Moving to an all-digital process also increases data accuracy and saves time.

For most firms, a cloud-based tax preparation workflow should contain the following types of functionality:

- Common core database that contains client information.
- Scanning system for incoming papers from clients.
- Tax return preparation software.
- Access to evergreen tax research subscriptions.
- Document management system for storing and organizing returns and work papers.
- Online portals for secure document exchange with clients.

Generate Accurate Tax Returns Quickly

Delivering high-quality work is the first priority on the firm growth checklist. In terms of tax returns, quality work requires catching errors on returns before they leave the firm. It's important to be able to conduct contextual, ad hoc tax research directly from the return. That's easily accomplished when the firm's tax research and preparation systems are integrated in the cloud.

Every return needs a careful review before being sent to a client. Firms should insist on a tax preparation system that includes full diagnostics and easy-to-use on screen review tools. Diagnostic reports should include warnings about potential errors with links to the errors on the actual return. Return review tools should include the ability to put tick marks and notes on the return, generate estimates and override automatic calculations if needed.

Improve Client Communications

Unclear or unprofessional communication makes a negative impression with clients. Both before and during tax season, it's essential to provide clients with easy-to-understand, succinct instructions and guidance. Clear communication reduces the number of calls coming into the firm during tax season and improves client satisfaction.

Firms should standardize a set of professional communications to deliver with tax returns. Having a common core database in the cloud enables firms to personalize client correspondence and ensure consistent, accurate client information across all correspondence and returns. Firms should choose a tax preparation system that includes a correspondence manager to configure separate copies of documents for the client and the government while retaining a third complete set of returns with notes and correspondence for the firm.

Annual tax correspondence should be viewed as an opportunity to promote the firm's tax planning services. By providing clients with a comparison of two or three years of prior tax information, firms can invite them to get in touch for additional tax planning.

Enhance Client Relationships

Firms can enhance relationships with clients by making information available to them at any time and enabling them to receive it by the method they prefer. To really enhance relationships, firms should be able to deliver information to both accountants and clients on mobile devices — specifically smartphones and tablets. These devices are rapidly becoming more ubiquitous than laptop computers.

As firms seek to make services more convenient for clients, most tax and accounting professionals find themselves doing some of their work outside the office and after business hours. When a firm embraces a cloud-based technology strategy, it's easy for professionals to work from home offices. Using mobile devices or home computers, professionals can access client information, complete tax work, review and approve returns and send files to clients securely. Cloud technology enables professionals to avoid dreaded weekend trips to the office while still meeting client expectations for speed and availability.

Access Client Files in Seconds

Cloud technology enables a firm to take advantage of integrated document management to provide professionals with immediate access to all client documents, including current and past returns,

reports, correspondence and client records and receipts. When clients call, the staff can answer questions right away instead of needing to call back.

Document management features, such as version control and check in/check out, protect the firm's reputation by ensuring the integrity and accuracy of client documents. Firms can also store email in the document management system, providing staff with access to relevant emails from clients while storing that information securely to reduce firm risk in the event of lawsuits.

Firms can also use electronic portals to help clients manage their own documents. In addition to publishing returns for clients and receiving their signed 8879 form, clients can also use their online portals to upload and securely store their own important documents such as copies of wills, birth certificates or passports. Some portals even empower clients to allow third parties — bankers, attorneys or family members — access to designated documents.

Manage Projects Effectively

Without good project management processes, tax returns or audit work can fall through the cracks and fail to meet client expectations. Missing a deadline can hurt the firm's reputation, so it is important to ensure that stakeholders are up to date on projects. A cloud-based workflow keeps projects moving and can alert the team to impending deadlines. Electronic route sheets and other project management features let managers and stakeholders know project status at all times. When the client calls, everyone has the same answer.

Capture All Billable Time

The easiest way to grow firm revenue is to simply make sure that clients are paying for all of the work performed. When firms incorporate time keeping and project management into automated tax or audit workflows, professionals will be prompted to update project time and status as work is completed. Time tracking becomes part of the normal workflow rather than a separate activity that interrupts work.

To get paid faster and manage cash flow, firms should choose a cloud-based system that supports multiple billing options. This enables firms to determine the right time to send the invoice — either the full amount after work is completed or incremental bills as work progresses.

Explore Value-Added Services

With technology helping the firm produce tax returns efficiently, more time remains to develop new services and promote these value-added offerings to new and existing clients. Adding accounting and audit, business planning or financial and estate planning services helps accounting professionals develop a trusted advisor relationship with clients. In the eyes of most clients, a trusted advisor is much more valuable than a tax technician.

The Way Forward: CCH Access™

Future-ready accounting firms are taking advantage of new cloud and mobile technologies in order to become more competitive. Cloud solutions with a common core database provide firms with a more efficient way to work and share information to achieve better client service.

CCH Access is a single, integrated cloud solution for multiple functions within an accounting firm. It helps firms accelerate growth, enhance firm management and protect the firm's reputation. It offers a common database to share client information, a common look and feel across functions, visual dashboards, automatic capture of time and project status and an open integration platform that makes it easy to add new tools.

Firms can automate a complete digital tax preparation workflow, from beginning tax research and receipt of client documents to the delivery and filing of returns. CCH Access offers the following integrated modules:

- **CCH Access™ Tax** — Represents the heart of a streamlined, digital tax process — supporting ease of tax preparation with thousands of automatically calculating forms and schedules for federal, state, county and city entities; robust diagnostics; and a state-of-the-art electronic filing system.
- **CCH Access™ Document** — Offers a feature-rich document management solution to electronically organize and store client source documents, achieving a true digital work environment.
- **CCH Access™ Portal** — Provides a secure online space where clients have 24/7 access to their financial documents and the ability to collaborate with firm staff in real time, at any time.
- **CCH Access™ Practice** — Provides a full-scale practice management system to monitor staff time, produce invoices and handle all aspects of managing firm operations with ease.
- **CCH Access™ Workstream** — Offers a full-featured project management solution designed to streamline administrative tasks, such as tracking due dates, identifying key milestones and monitoring project status.

CCH Access supports the use of mobile devices and offers a secure workspace from any location, promoting a better work/life balance for busy professionals who often need to work from home. By using cloud technology to increase efficiency throughout the workflow, firms can find more time to develop value-added services and attract new clients.

For More Information
CCHGroup.com/Axcess
800-PFX-9998 (800-739-9998)

