



The Way Forward: Firm Management in the Cloud

Introduction

Over the past several years, accounting firms have approached technology in two different ways. Traditionally-minded tax firms have stuck largely to the tax preparation processes they have always used, perhaps bolting on a technology solution here or there in areas that needed improvement. These firms use technology, but often in ways that don't help professionals become increasingly more productive. In contrast, future-ready firms have sought opportunities to adopt entirely new technology and ways of working that position them for stronger growth and higher efficiency moving forward.

TRADITIONAL FIRM	FUTURE-READY FIRM
Many paper-based processes.	Zero paper-based processes.
Client-server technology.	Cloud-based technology.
Inefficient, resource-intensive tax workflow.	All-digital, automated workflows.
Access to client information only (or mostly) at the office.	Instant, secure access to client information from any connected computer or device.
Client information spread across multiple databases and perhaps even paper files.	One common database for all client data.
IT staff engaged primarily in troubleshooting software problems and installing software updates.	No dedicated IT staff needed, or IT staff engaged in strategic technology initiatives.
Different software solutions for tax prep, audit, time and billing and document management, each with its own interface and learning curve.	A single, all-in-one software solution with a common interface that is intuitive and easy to learn.

According to the CCH Future-Ready Firm Survey, 80 percent of tax professionals believe their firms could be doing more to leverage technology. In fact, the majority of firms admit that more than half of the information exchanged with clients is still on paper. As firm managers develop technology plans, they should consider moving entire workflows to the cloud. Secure cloud-based applications can help CPAs manage their firms more efficiently and effectively and address top challenges, such as:

- Keeping up with regulatory changes.
- Helping clients with global tax issues.
- Letting professionals use technology they prefer.
- Improving productivity and profitability.
- Recruiting and retaining top talent.

Keep up with Regulatory Change

One of the biggest challenges for accounting professionals is simply keeping up with regulatory issues. The "fiscal cliff" debate caused a lot of last-minute regulatory change, and delays by the IRS in releasing new forms squeezed the tax season for many firms. Never has the need for efficiency and automation been more apparent.

Future-ready firms need to be able to access timely, accurate research to stay on top of regulatory issues. Professionals should be able to conduct research even when they are away from the office and outside of normal business hours. Having a cloud-based research tool enables professionals to find answers quickly when clients call. Ideally, the research tool would also be available inside the tax return itself for quick, contextual searches.

Meet the Globalization Challenge

Cloud technology is a huge enabler of globalization. Businesses can operate in multiple locations around the world, yet still share a common set of information and applications. This is also true for firms and even individual clients. Firms can now have a presence in another state or country simply by hiring a CPA in a home office there. Domestically, clients are no longer restrained by their local geography when selecting an accounting firm. They may instead choose to work remotely with a firm that offers a specialized niche or knowledge.

Globalization creates two immediate needs for accounting firms. First, in order to compete for business clients, firms need access to reliable research on international topics. Second, firms must embrace technology that will help them stay responsive to clients in many different time zones. This includes an effective firm website, secure client portals and the ability for the firm's professionals to access client information and research at any time, from home offices and mobile devices.

Embrace the Consumerization of Mobile Devices

Many accounting professionals are also consumers of technology. As consumers, they've adopted smartphones and tablets and now want to use these productivity devices within the firm, from home and in client meetings. Both CPAs and clients already access financial information in the cloud through online banking, and clients now expect to be able to access tax records securely, at any time. The tendency for new technology to be adopted first in the consumer market and then adapted and adopted to address business challenges is called IT consumerization.

Increase Firm Productivity and Profitability

In the past, firms have done as many process improvements as possible within the confines of their technology. These firms have client data that is spread across multiple databases and file folders throughout the firm. There's very little room to add efficiency in a tax process that still includes paper or disparate software systems. Professionals cannot work as effectively outside the office or from home because they do not have access to all of the firm's data electronically.

Future-ready firms are adopting entirely digital, optimized workflows in the cloud. These workflows all draw from a single, integrated database that holds complete, accurate client information. That data can be accessed securely from anywhere, including mobile devices.

The common core database means that data has a higher rate of accuracy because it only needs to be entered once — leading to much faster tax preparation. If firms can complete tax returns in less time, they'll be able to focus more on performing higher-value work and becoming trusted advisors to their clients.

While in the past firms didn't have visibility into changing performance trends until it was too late, future-ready firms use up-to-date firm performance information to keep things running smoothly. Centralized data empowers professionals with the ability to view Key Performance Indicators (KPIs) via dashboards and easily generate reports that bring together data from many different parts of the firm. Partners at future-ready firms consult a customized dashboard to receive indications of potential red flags before a problem develops. Partners can monitor the progress of staff, and just as important, staff members can set up their own customized dashboards to monitor their performance against expectations.

Recruit and Retain Qualified Staff

With the exception of a few years during the economic downturn, the accounting industry has spent much of the past decade dealing with staffing shortages. Firms will need to step up their recruiting and retention efforts to attract qualified professionals. The key is to offer a working environment and lifestyle they value, including flexible working hours, work/life balance, opportunities to develop as professionals and leading-edge technology.

Firms need additional staffing during tax season, and it can be hard to get enough help during this busy time. Cloud technology enables part-time or temporary accounting professionals to work on tax returns from home, at any time that works into their schedules.

Another important benefit of managing a firm in the cloud is the ability to leverage technology without needing an IT expert to troubleshoot software and install updates. In the cloud, accounting professionals don't have to lift a finger — the solution vendor is responsible for all maintenance and updates. Firms that don't have IT staff can spend less money on outside IT consultants, and firms that do have IT staff can focus instead on more strategic technology initiatives.

With [CCH Axxess™], we are now able to complete twice as much work with just four full-time and two part-time staff. CCH solutions enable us to work faster, smarter, more accurately and more efficiently. Even with today's sophistication and high expectations, CCH helps us still deliver a 'wow' factor to our clients.

— Kevin Krueger,
Managing Director,
Krueger & Associates, P.A., Tampa, FL

Technology is the Way Forward

Many firms have implemented technology using the same mindset they developed with their old, manual processes. Typically, these firms simply used technology to create a digital replica of their paper-based processes, thus creating very little improvement in efficiency or profitability.

Future-ready firms approach technology differently, using it to create better tax workflows and processes that save time and increase profitability. These firms use the extra time to generate higher-value interactions, like tax planning and business consulting, so that they can become a trusted advisor for their clients. With a highly efficient workflow, this also allows them to better handle fee pressure.

Those firms that are still using the same tax software they've had for over a decade often add poorly integrated (or not integrated) solutions for other firm processes such as time, billing, document management and project tracking. Firms that approach technology as a "status quo" most likely have not addressed disaster recovery well, and if they have any "cloud" solutions, they are really just traditional software accessed through Citrix, rather than developed using an open Web platform.

Conversely, future-ready firms are readily embracing a real cloud platform that will position them to succeed for the next 10-20 years. A single, best-in-process cloud solution creates a 100 percent all digital tax workflow and empowers greater efficiency and productivity. These firms can even integrate their cloud solution with other applications through an open platform.

CCH Access™ is the first all-inclusive, fully integrated tax and firm management cloud solution. It operates through one common core database, offering a seamless flow of client information between modules. It's designed to provide better access to information through mobility and is built on an open platform to give firms the flexibility to incorporate third-party solutions into their optimized workflows.

CCH Access helps firms align technology strategy with business objectives:

- **Data Integrity** — In disasters like tornadoes, floods or hurricanes, affected firms can operate from home offices or alternate locations if they manage their businesses in the cloud.
- **Staff Productivity** — The common core database in CCH Access enables professionals to find all needed information in one place, including time, billing, returns, research and project status.
- **Quality of Life** — Streamlined workflows enable professionals to work more efficiently, so they can spend more time enjoying life and less time searching for information.
- **Firm Growth** — Cloud technology is highly scalable, so firms can add integrated functionality to CCH Access quickly when needed.
- **Firm Profitability** — With information stored in one place, it's easier to analyze profitability and utilization. Streamlined workflows leave more time to add new clients and new services.
- **Information Security** — Industry-leading vendors like CCH use economies of scale to deliver better data security, backup and storage in the cloud than most firms can afford by themselves.

Future-ready firms make the time now to align technology with business strategy, empowering them to become more profitable and competitive in the future. Cloud technology has the potential to fully optimize workflows and enable more real-time information sharing than was ever possible before.