A Doc.It® White Paper

RESOLVE 3 COMMON CHALLENGES IN THE ACCOUNTING AND TAX PROFESSION

- ☑ **Workflow and Efficiency**
- ☑ **Identifying Opportunities for Practice Improvement**
- ☑ **Email Management**

With insights from industry thought-leaders:

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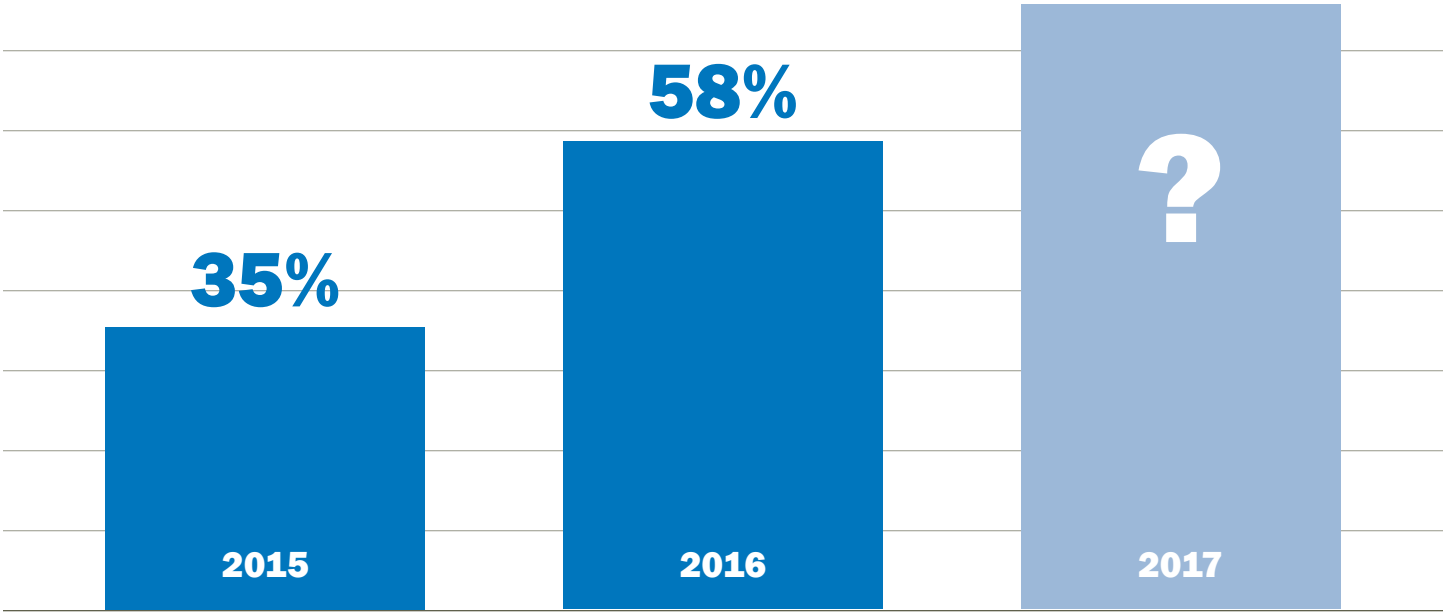
WORKFLOW AND EFFICIENCY

For three consecutive years accounting and tax professionals have identified workflow and efficiency as a leading challenge for their firm[1]. In response to this challenge, practitioners are increasingly adopting workflow software, as noted in Table 1. Given the increase in adoption, it is foreseeable 70 percent or more of the accounting and tax professional population will have workflow software this time next year.

Workflow and efficiency challenges stem from a number of common causes such as every service or engagement type requiring its own unique workflow and process. Resolving these challenges without the use of document management and workflow software may be more difficult than one may imagine. In addition to the likelihood of unique workflow for each area of practice, it is also likely there is no firm-wide standardization in how processes are handled in every practice area (e.g. tax, audit, etc.). Due to these factors, one can see how it may be difficult to measure and monitor workflow and efficiency. Additional workflow complications arise when documents are difficult to gather or find for any number of reasons. Ultimately, these issues can lead to spending additional unnecessary time on a task resulting in the possibility of due dates missed and the potential for a negative impact on revenue.

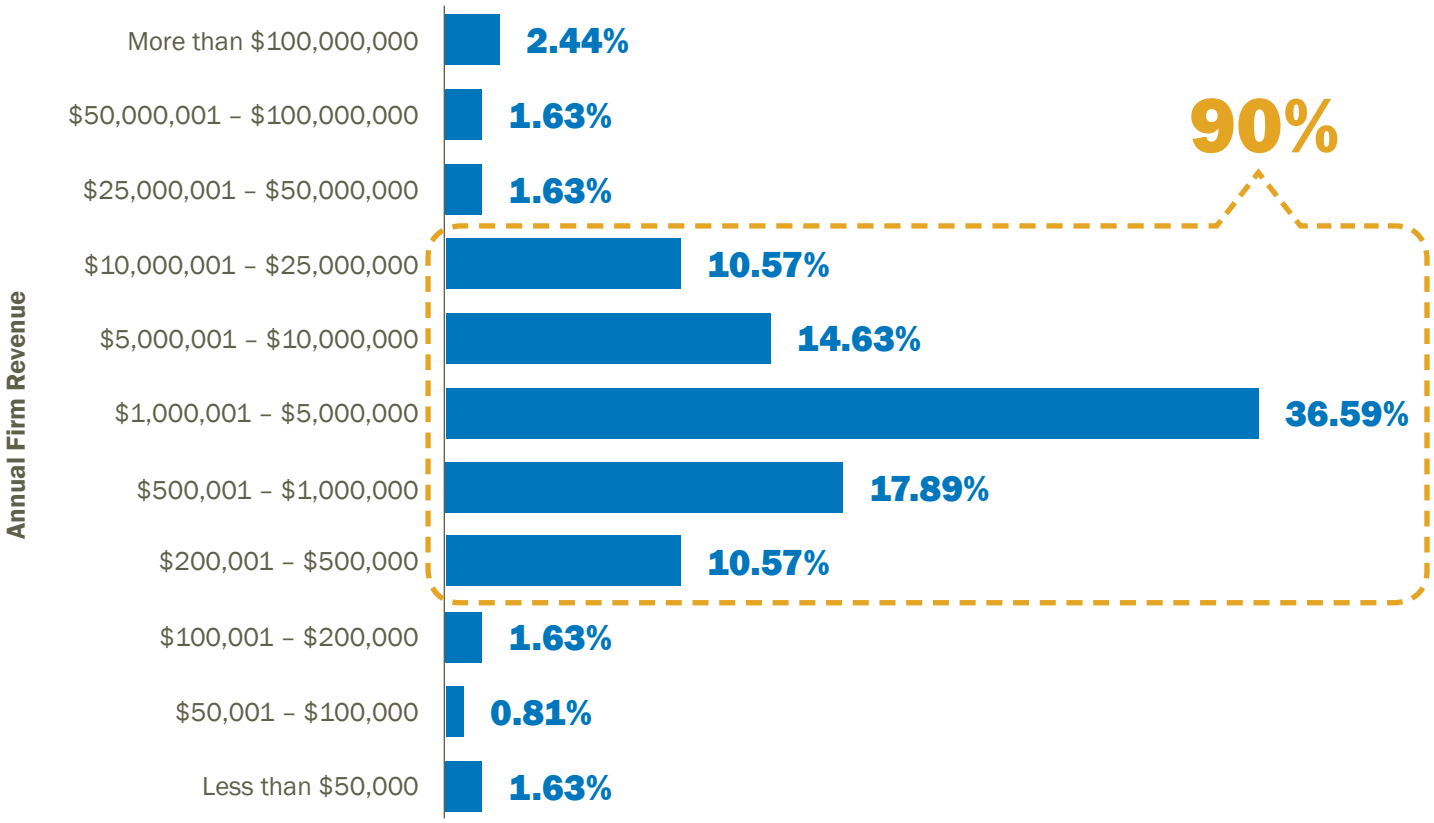
TABLE 1: FIRMS OF ALL SIZES USING WORKFLOW SOFTWARE



Source: 3rd Annual Accounting Firm Operations and Technology Survey. Results featured in this chart are a combination of respondents who indicated they use workflow software (e.g. Doc.It Workflow) or in-house developed workflow software.

With workflow at the top of the list of firms' leadership concerns; it is understandable why there is a steady increase in the percentage of firms of all sizes adopting workflow software. Research revealed 90 percent of all workflow software is being used by firms reporting annual revenue between $200,001 and $25,000,000[2]. If your annual revenue is within this range, now is the right time to begin your investigation into workflow software.

TABLE 2: WORKFLOW SOFTWARE VERSUS ANNUAL FIRM REVENUE



Source: 3rd Annual Accounting Firm Operations and Technology Survey. Results featured in this bar chart detail the use of workflow software distributed throughout the profession in firms of all sizes.

1 3rd Annual Accounting Firm Operations and Technology Survey.
2 2016 Revenue Report, 3rd Annual Accounting Firm Operations and Technology Survey.

PROCESSES NOT STANDARDIZED

When a firm has more than one process for doing one type of work it leads to a system that cannot be measured in a meaningful way. Multiple methods of doing one type of work are common in a multi-partner or staff firm and when standardized processes are not mapped out and consistently followed.

Improving standardization requires establishing the firm's way of getting a specific type of work done (e.g. tax returns, compilations, reviews, audits, monthly bookkeeping, etc). Workflow software can help, especially when it is customizable which ensures the standardized method deemed most appropriate for your firm and engagement type is followed.

Moving from multiple methods and processes to a standardized way for each type of work is accomplished following these steps:

1. Document the existing methods of doing a single workflow
2. Use the existing methods documentation to illustrate to the leadership team the existence multiple methods currently being used.
3. Compare and test all methods to arrive at the best, and unilaterally agreed upon, single workflow at your firm for each type of work.

MEASURE AND MONITOR WORKLOAD

Knowing the existing capacity and workload of your staff and partners provides the point from which to measure workload in the future. After processes are standardized and measures are taken to track work moving through the firm you will have a starting point from which to monitor progress.

Workflow and efficiency initiatives can be deemed as "working well" when one or more of the following are occurring:

- More work is moving through the firm without the addition of new staff or increased staff hours.
- More time is available to work on the business handing initiatives such as building the business in high-revenue service areas and building referral partnerships with other professionals (e.g. financial planners, insurance agents, etc.).

DOCUMENTS ARE DIFFICULT TO FIND, MISFILED, MISNAMED OR LOST

When there is difficulty filing or finding documents, most commonly the firm is lacking a document management system (DMS), standardized workflow processes, or both. Implementing DMS and workflow software resolves this challenge by leveraging the added capabilities of DMS and workflow tools. When a firm implements and is trained to use Doc.It Suite, staff members are taught the firm's standardized method for accomplishing a given type of work which ensures firm-wide consistency in process. Furthermore, in the rare instance a document makes it into the DMS but is not immediately available (cannot be instantly located) due to improper handling, the DMS system should make finding documents simple with the use of searchable content by title or other identifying criteria.

DUE DATES MISSED

Missed due dates can be eliminated by implementing an integrated system in which no work happens without a due date associated with it. As soon as the firm anticipates work or a client engages the firm, due dates are set and monitored throughout the year whenever staff or managers look at assigned or unassigned work.

When due dates tied directly to work being performed and documents associated with the work are managed, it's impossible for a job to 'slip through the cracks' because any job not progressing in the system would be plainly obvious to staff, firm administrators and billers on a daily basis.

THOUGHT-LEADERS WEIGH-IN ON WORKFLOW

WARD BLATCH

Every accounting practice is looking to improve workflow and gain efficiency in their firm. The struggle is looking beyond what is currently being done and input change.

You have some form of workflow system in your office today perhaps an Access database, an Excel spreadsheet, or folders and routing slips. The issue with these systems is that they don't integrate with the actual files and documents people are working on. People therefore tend to not update the status or forget to update the status making the system ineffective. A workflow system, such as Doc.It Workflow, integrates the files and the workflow together. Making it easier for people to know what work is being done, what needs to be done next, and where the files are to complete the task.

In many cases the current system does not provide reporting on the current status of work you are responsible for or the overall status of work in the firm. This makes the process of monitoring workflow slow and cumbersome, walking around the office or meetings take up valuable time.

The process of moving to a workflow system is really not that complicated. You already know the steps you want to track in workflow. Once those are setup and team training is completed you will find significant improvements in managing workflow in your organization. With workflow now being properly managed you can start looking at where additional efficiencies in the system can be implemented.

RANDY JOHNSTON

Workflow processes may need several revisions before they really fit the firm. The firm can start with recommended "best practices" if no established procedures are in place. Consider modifying the processes after a review every six months or so. This will help all of your team members understand, contribute and follow the preferred processes of the firm. Further, don't make the workflow processes too complex or to create too many workflows. Early on in the implementation, simpler workflows are usually better and easier to follow.

PRACTITIONERS WEIGH-IN ON DOC.IT WORKFLOW

Accounting and tax practices deploying Doc.It Workflow are in the best position to create additional value for clients. Because of a firm's use of Doc.It, documents are always where they are supposed to be and instantly accessible, processes are standardized, and workload and due dates are measured and monitored. Doc.It Workflow enables firms to complete work in less time, leaving room for:

- more work to move through the firm
- work on firm activities focused on improving profit margin(e.g. prospecting for new clients, adding high-value service areas and creating opportunities to improve relationships with other businesses to generate referrals)

Buttle and Tavano ..... 13 licenses

"THE BIGGEST BENEFIT AND MAIN REASON WHY WE ADOPTED DOC.IT WAS FOR THE PRODUCTIVITY GAINS THROUGH DOC. IT'S WORKFLOW"

Workflow is our favorite feature. At the end of the day, for the firm to be profitable, it is all about productivity and turnover of the files. With Doc.It Workflow, I build filters that allow me to very quickly see what everyone in our practice is working on, while excluding things from the filter that are not relevant. Having this level of understanding of our workflow helps to ensure work is moving through the practice as it should.

Compliance makes up the majority of our client work, and is somewhat of a commodity; therefore, clients are choosing to do business with us because of our relationship, not because we can do a tax return. Anything that will help me enhance the customer relationship is going to differentiate us from our competitors. Ultimately, Doc.It helps me deliver what our customers want in a more efficient way.

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"DOC.IT IMPROVES OUR PRODUCTIVITY – WHICH IMPACTS OUR PROFITABILITY"

Doc.It has increased the efficiency of tracking our client workflow lists. Prior to using Doc.It, we used public folders in Outlook to track workflow lists as well as Windows folders and separate network drives to store and track our paperless filing system. When we used Outlook, everyone had the capability to make changes to the workflow lists and we did run into problems with the public folders not updating properly; a few times, we even lost some of the master lists.

Today it is easier and more efficient to look up the status of client work and who it is assigned to. It is easier to determine if there is a backlog in the workflow process and re-assign or staff-up a department. Overall, it is easier to find these problems when using Doc.It's workflow functions, compared to using Outlook for workflow control. We do have another branch that remotes-in for Doc.It Workflow. It is easier and more efficient for the preparing, reviewing and electronic transfer of files to CRA because they are not transferring data files between networks to do processing and assembly.

IDENTIFYING AREAS FOR PRACTICE IMPROVEMENT

Identifying areas for practice improvement is easy when the firm is clear about its mission and goals and systems are in place to track and compare metrics that indicate how well the firm is performing. Ultimately, the ideal areas to focus on for practice improvement should provide the largest gains with the least amount of effort.

To measure practice improvement you must have established documented processes providing a starting point from which to measure from. If there is no standardization of processes, start with one practice area and document how a process is handled, or the many ways it is handled. Refine multiple processes into one agreed-upon standardized way (e.g. tax process) then carry this idea forward to define the standardized way for every area of practice.

Standardized processes should be documented, trained and updated routinely. What works well today may require slight modification as technology evolves staff changes or as priorities in the firm evolve.

THOUGHT-LEADERS WEIGH-IN ON PRACTICE IMPROVEMENT

WARD BLATCH

With workflow now being properly managed you can start looking at where additional efficiencies in the system can be implemented. Without a proper workflow system in place it is very difficult to identify areas for practice improvement.

Use the reporting in workflow to identify people who perhaps struggle with certain types of assignments or with certain clients. Rebalancing of work assignments can have a significant improvement in the practice. You may also identify training deficiencies within the firm. Team training can have a very positive impact in both morale and operations.

Ongoing monitoring via workflow will show the impact of changes you make and provide additional insights into ways to improve your practice.

What you can't measure you can't change.

RANDY JOHNSTON

Consider the areas of practice where you want the most improvement. Since people tend to focus on things that affect their compensation, consider the workflows that lead to meeting your desired improvements. If you are implementing value billing, consider the steps it takes to deliver "value" and work on reducing the time spent on items that don't add value. If bringing extra clients to the firm is considered your highest value, then design workflows to help with this process.

PRACTITIONERS WEIGH-IN ON THE IMPACT OF DOC.IT ON PRACTICE MANAGEMENT IMPROVEMENT AND COST SAVINGS

Much like a professional baker may make adjustments to their perfect cake recipe with the intent to improve upon it, the implementation of Doc.It results in processes and procedures that create standardization. Process standardization using Doc.It becomes the platform – or recipe - from which the firm systematically operates; it's the basis for monitoring and measuring practice improvement.

Davies & Associates ..... 5 licenses

"DOC.IT'S SUPPORT IS AMAZING"

Doc.It helps with process improvement in these ways, 1) we were forced to think about workflow and how to design it to work better for our firm, 2) we gained the ability to move documents between people, which is especially great for our employee who works remote, 3) we are able to securely email a financial statement and no longer need to take paper with us, 4) files are well-organized and easily located when needed, and 5) storage improved, our offsite storage has disappeared.

LublinSussman Group, LLP ..... 21 Licenses

"WITH DOC.IT YOU WILL NEVER HAVE A PROBLEM. THEIR TEAM PROVIDES FAST TURN-AROUND AND GREAT CUSTOMER SERVICE"

Doc.It has helped with process improvement. With Doc.It we scan into Doc.It Inbox and the document is place into a Doc.It folder. Our process was improved because we front-scan and work digitally with Doc.It from that point forward. There is always room for improvement. Doc.It would certainly advise you on whether or not your process can be improved. Doc.It can be trusted to do this.

Fulvio & Associates ..... 46 Licenses

"DOC.IT IS CUSTOMIZABLE, EASY TO LEARN AND TEACH"

Doc.It has helped with setting up folders and workflow, and storing documents the right way. Files are now easy to look up and find. With Doc.It we know exactly where all files are.

Our main concern was handling documents we get from clients. Before Doc.It, we might have files scattered through the office. No one knew with certainty where files were at any given time. Today, we notice how easy it is to find the documents we need when doing a return.

Demers Beaulne ..... 148 Licenses

"WE HAVE WORKED WITH DOC.IT FOR MANY YEARS, THEIR PRODUCT IS STABLE"

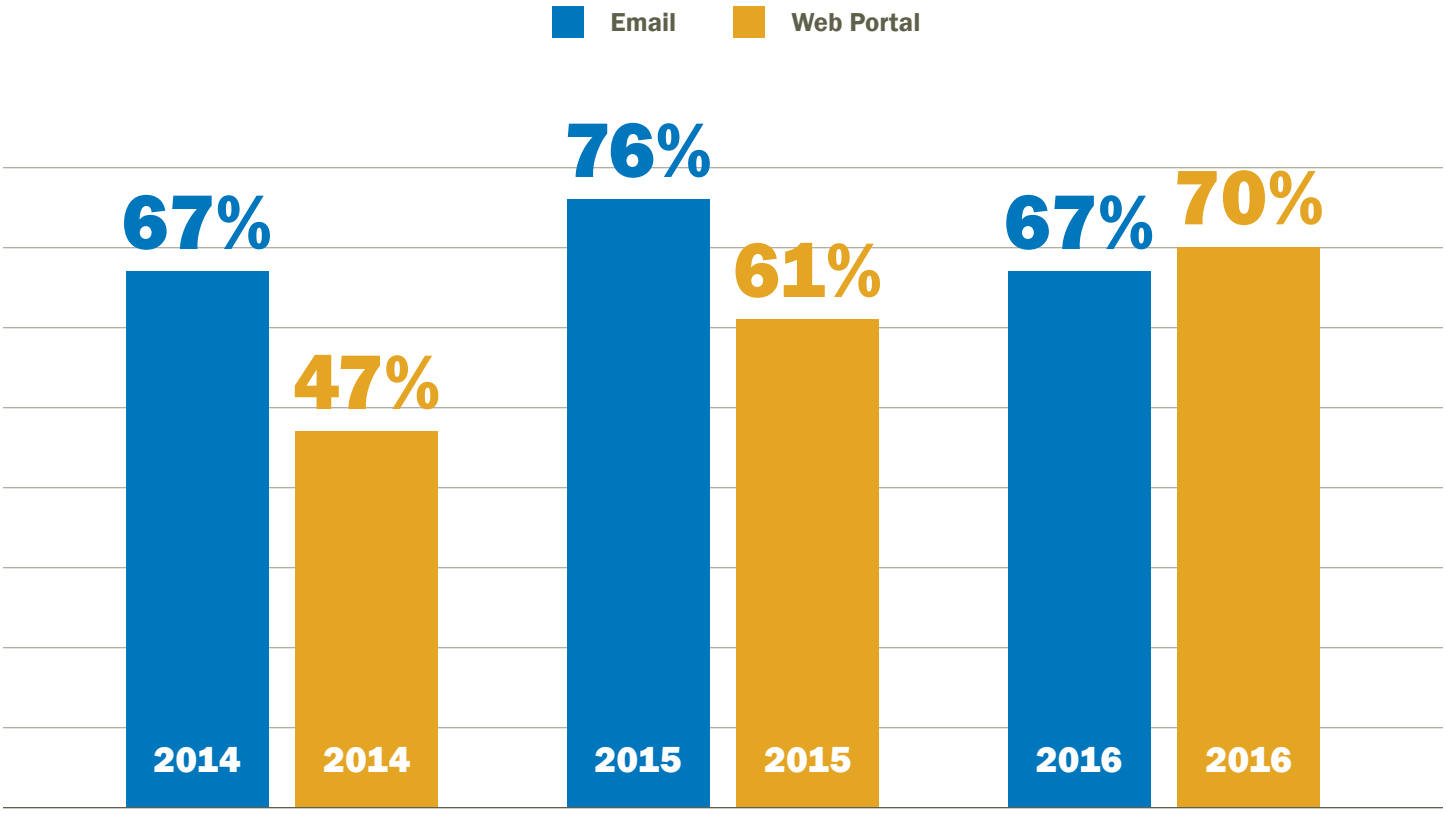
Doc.It has streamlined tasks such as searching for additional documents and sharing documents with clients. Doc.It has reduced the amount of time it takes to do the exchanges.

EMAIL MANAGEMENT

Email has forever changed how staff and partners work. Research has revealed it is consistently being used by practitioners for the exchange documents with clients; Table 3 shows its use for the delivery of tax returns to clients.

Due to the type of documents being exchanged with clients, security should remain high on the list of priorities when dealing with email management. To ensure documents delivered via email remain secure, firms should insist on using an encrypted email platform or opt for a secure web portal. Because security concerns are high in this profession, the adoption of web portal software will likely increase.

TABLE 3: FIRM USING EMAIL OR WEB PORTAL TO DELIVER SOME TAX RETURNS TO THEIR CLIENTS



Source: 3rd Annual Accounting Firm Operations and Technology Survey

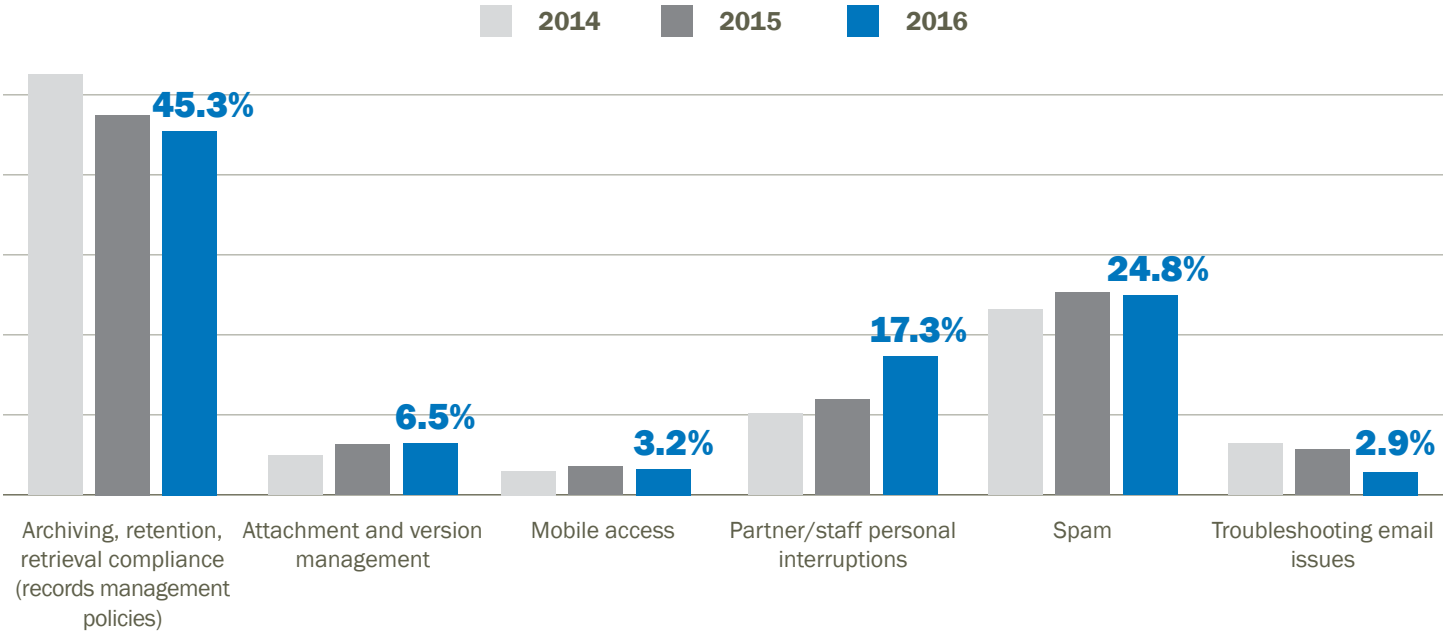
3 3rd Annual Accounting Firm Operations and Technology Survey

In addition to security, archiving and retention remains the biggest email challenges plaguing the profession[3]. Without a process and methodology in place to manage email and deal with these concerns, email will continue to be a disruption and cause a plethora of additional issues. Many of the leading email challenges can be resolved by using Doc.It Suite.

Review this checklist of tasks and best practices to eliminate or curtail the most common email challenges:

- Turn off the "New Message Notification" in your email software.
- Make your calendar your default view.
- Calendar a block of time each day to process email.
- Sort through your email Inbox quickly; identify which messages are tasks to handle immediately, delegate, delete or calendar to handle at a later time or date.
- Move everything in your email Inbox to an "age and delete" folder.
- Subscribe to a DMS that integrates with your email system.
- Subscribe to a DMS that includes a secure web portal to allow for the exchange of documents and files.

TABLE 4: FIRM'S BIGGEST EMAIL CHALLENGES



Source: 3rd Annual Accounting Firm Operations and Technology Survey

THOUGHT-LEADERS WEIGH-IN ON EMAIL MANAGEMENT

WARD BLATCH

There is so much information being exchanged via email today and so little control over it. There are two changes to help you get control over your firm's email.

The first is to use a cloud-based business email service such as Office 365 or Google Apps for Work. These services will provide control over the security of devices where email is received, in-place eDiscovery & Hold, retention policies, and data loss prevention.

The second change is using a document management system that will allow people to easily file email correspondence in the document management system and provide the ability to share files with clients using a secure password protected file or a file sharing portal.

RANDY JOHNSTON

Email can be a time saver and a time waster. Further, filing and retrieving email effectively can contribute to client satisfaction and minimal use of practitioner time. Consider how your current system works for archiving email and look at how a workflow system can be used instead of email.

PRACTITIONERS WEIGH-IN ON DOC.IT AND EMAIL MANAGEMENT

The use of email has become so ubiquitous it often just blends into a day's work without much thought about how disruptive it can be. Doc.It has made it easy to gather documents from clients, quickly locate and deliver documents in a secure way using email or a Web portal, and never make a client wait for answers or information.

EPR Gordon C Ferguson & Co. PC ..... 21 licenses

"YOUR PROCESSES CAN ABSOLUTELY BE IMPROVED. DOC.IT HELPED US TO SEE WHERE WE WERE AND WERE NOT EFFICIENT"

We did not change in our work; we changed our process when handling digital documents versus paper. Before Doc.It, we printed a hard copy as a final copy; today we batch print as our final copy. Doc.It is reliable and secure; documents will not disappear. Some of the benefits of having files in digital format include sharing documents via thumb drive or by email; it's far easier than moving paper.

Hyatt Lassaline LLP ..... 24 licenses

"THE BIGGEST SECRET TO OUR SUCCESS HAS BEEN THE AVAILABILITY OF THE DOC.IT TEAM. FROM THE POINT OF INSTALL THROUGH TODAY, THE DOC.IT TEAM HAS BEEN THERE TO DO WHATEVER IS NEEDED TO RESOLVE OUR ISSUES."

Before Doc.It, when a client requested financial statements, we used to have to go to the filing cabinet and hope the documents asked for were there. If we found the documents, we faxed them. This might have taken two days. If we did not find the documents, emails started flying around the office asking others if they had the file or document. Today, with Doc.It, anytime clients are asking me for a document or figure, I will say, "Give me four seconds and I will have the answer for you."

Another way Doc.It has helped us is evident when clients call asking for someone who has stepped out. Our receptionists are trained to ask clients if there is something someone else can help them with, rather than making clients wait. For example, clients might call needing a copy of a financial statement sent to the bank because that is where they are and they need to share that document. The receptionist can literally send the document immediately. This happens quite frequently. As a matter of fact, a few minutes ago I handled a call from a client requesting several years of financial statements. Within five minutes after that call, the receptionist had already sent the client an email with those statements attached, and the task was complete.

A MESSAGE FROM THE TEAM AT DOC.IT

Accounting and tax practices using Doc.It Suite, an integrated document management, workflow and document storage solution, are best positioned to resolve workflow and efficiency issues and mitigate risk associated with keeping data secure. Doc.It Suite creates added value for clients by enabling the firm to more efficiently serve and respond to clients' needs. Documents are always where they are supposed to be and instantly accessible, processes are standardized, and workload and due dates are measured and monitored.

We welcome a discussion with you or your partner responsible for technology, IT Manager, partner group, shareholder(s). Within a few minutes we will know whether further exploration of Doc.It Suite is worth your investment of time.

ADDITIONAL RESOURCES

PRODUCT INFORMATION

- Doc.It Family of Products
- Doc.It integration

ARTICLES:

- Securely Sharing Client Documents: It's Time to Consider a Portal
- 4 Ways Client Tax Documents are at Risk
- ROI: The Cost of DMS and Workflow Software
- Top 10 Questions – Streamlining Document Management and Workflow

VIDEOS:

- Suite and feature overview videos (1 minute each)
- Doc.It Suite, Brief video overview (15 minutes)
- UK Presentation: Optimizing Workflow and Document Management Efficiency (1 hr.)

FIRM IN THE SPOTLIGHT:

- An interview with Judi Sovanski, Firm Administrator, BWTP, PC.

Are you ready challenged by one or more of the issues identified in this white paper?

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