Streamlining Production for Digital Workflow: A Deep Dive into Lean Principles and Workflow Tools

About XCM Solutions

XCM Solutions provides a SaaS-based workflow and resource management platform that improves process efficiency, increases capacity, and drives productivity in accounting / professional services firms and corporate tax/accounting departments. XCM Solutions centralizes tax, accounting, finance and audit processes within a single platform for streamlined workflow automation.

XCM Solutions has over 550+ customers, with approximately 40 percent of the Top 300 firms using XCM Solutions products and services. The productivity platform handles over 3+ million processes annually.

Agenda

1. Lean Six Sigma process improvement methodology

2. Digital best practices for accounting firm production

3. Best practices implementation through XCM Solutions process optimization

From a webinar by Roman Kepczyk, Director of Firm Technology Strategy at Right Networks; Chloe Hanson, Administrative Manager at CPA firm Abdo Eick & Meyers; and Ray Barlow, Senior Vice President at XCM Solutions.
Lean Six Sigma Process Improvement Methodology

Lean Six Sigma is a combination of two consulting methodologies initially designed for the manufacturing industry. Together the methodologies identify how improvements can be tweaked and measured at each step of a process to ensure that as production processes are optimized, they also add value. The core focus of Lean Six Sigma is optimizing processes, eliminating waste, and producing a high-quality result.

It’s critical to optimize your business process for each engagement. Accounting firms are complex entities with multiple workflows, with each firm having its own unique variations. A robust technology, paired with an ineffective business process, results in a decrease in productivity. Leading firms pair Lean Six Sigma principles with their day-to-day processes and technology to help accelerate productivity.

Digital Best Practices for Accounting Firms

When doing a lean tax review, there are 16 categories to focus on in the optimization for both individual and business tax return processes:

- Contact management
- Tax projections
- Engagement letter
- Due date tracking
- Organizer production
- Data ingress/accumulation
- Digital workflow
- Scanning technology
- Organize/bookmark
- Tax data import
- Annotation
- Preparation/workstation
- Stratification
- Review/collaboration
- Return processing/deliver
- E-Signature/extension

The overall goal of a lean review is to capture data at its root source—when the data is created—with quality control in a digital format. The data needs to be both secure and accessible by everyone who needs it, regardless of where they are. And the data should be touched only once.

A motto to live by: *Do it; do it right; do it right now.*
Best Practice Tips to Reduce Data Handling

**Contact management**
Centralize administration and create a firm-wide format standard for client contact information changes so one person can update all sources at once.

**Due date tracking**
Have a single source of truth for due date tracking where anyone in the firm accesses the same real-time information.

**Data ingress/accumulation**
Train clients on using a digital portal to submit tax return info, which is more secure and eliminates workflow steps in handling, scanning, and mailing back original documents.

**Stratification**
Instead of first-in-first-out tax return preparation, pool returns by the level of attention required, such as Pool A for returns that require a dedicated reviewer/signer, B for complex or multi-state returns, C for lower difficulty returns, D for low-risk dependent returns, and E for extension work that can be completed every year by early February.

**Collaboration**
Use “one and done” push-forward processing to speed workflow and save the time of reviewers, which are the rarest entity at the firm. Instead of a reviewer documenting questions for the preparer, sending it back, and then re-reviewing the preparer’s work, have the reviewer interrupt the preparer to answer the questions live, fix the issues, and complete the work in real-time.

**Return processing/delivery**
Utilize digital return and invoice delivery to remove printing and scanning steps, and save $10 to $20 per invoice.
XCM Solutions Process Optimization

To build a streamlined process, balance is needed between three legs of a stool: people, process, and technology. What are the must-haves to help mitigate risk, drive effectiveness, and improve efficient processes?

Project tracking
All projects, tasks, and due dates related to tax, accounting, and audit functions must be tracked. Compliance is a non-negotiable issue, and the firm cannot afford to miss regulatory due dates.

Resource discovery and understanding
All available resources and their skillsets are identified to ensure the appropriate level and skill set of resources are working on the projects.

Controls
Controls are needed that deliver the details on who, what, why, where, when, and how for each project and task. By optimizing every process and by following established business processes, staff know what to do, and partners know the status of each process or task. With technology, those processes can be embedded into the workflow management system.

Flexibility
To build business processes and continuous process improvements for each individual department, firms need to maintain flexibility.

XCMworkflow has thousands of processes templated to guide firms in determining their own best practices for how their work will be prepared, reviewed, and completed. XCM Solutions consultants work with firms on creating their workflow process to ensure each step in the process is optimized as it moves throughout the office. Each process includes the appropriate approvals, along with dynamic checklists and instruction points, to facilitate the workflow efficiently across the office. Each step is documented, and every staff member understands their role and what is expected of them. The workflow can also be tailored to linear processes, like tax, or processes such as a monthly close that requires multiple tasks occurring at the same time.

For more information, contact us at xcmsolutions.com or 781-356-5152.