Standardization and Business Process Improvement: Audit, CAS, Tax and Operations

From a webinar by Mike Sabbatis
CEO of XCM Solutions

About XCM
XCM 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’s solutions centralize tax, accounting, finance and audit processes within a single platform for streamlined workflow automation.

XCM has over 550+ customers, with approximately 40 percent of the Top 200 firms using XCM products and services. The productivity platform handles over 3 million processes annually.

Agenda
1. Increase capacity through better business process and supporting technology platforms
2. Minimize risks by creating custom business processes, managing compliance requirements, and guiding decisions and priorities
3. Ensure your audit, CAS, tax and operations staff collaborate effectively
4. Eliminate waste in your work processes to increase your effectiveness
Increase Capacity

What decreases capacity? It all comes down to a simple equation: an increased workload plus a dysfunctional process management equals bottlenecks. That increased workload might come from new regulatory requirements, business growth initiatives, compression and rework, or M&A activity. Frequent contributors to a dysfunctional process management are a lack of clarity in work expectations, ineffective or absent business processes, and excess meetings, or emails, or Excel spreadsheets.

Getting to a better business process takes three steps:
1. Recognizing that changing and unforeseen priorities are unavoidable.
2. Identifying the most effective business process.
3. Using technology to embed the process in your day-to-day work.

Minimize Risk

More than 50 percent of tax material weaknesses reported in the United States are driven by a lack of review, lack of personnel or poor process execution. The leading sources of operational tax risk for the largest companies are insufficient resources to cover tax function activities, cited by 75 percent of the companies, followed by insufficient internal communication, cited by 64 percent, and then a lack of process or technology for 57 percent.

The advantage of custom business processes is that business process and technology can give you real-time visibility of all projects, tasks and due dates, and all resource availability. Also, you can view risk by centralizing work tracking, optimizing the business process and following the established processes. You also have visibility of controls that essentially deliver the who, what, why, where, when and how, and the inter-departmental workflow between audit, CAS, tax and operations departments.

Collaborate Effectively

Effective collaboration for audit, CAS, tax and operations means clearly delineated roles and workflow for the clients, partners, reviewers, preparers and administrators involved. Inter-departmental drivers that affect collaboration include rapidly changing priorities, inflexible business processes, lack of visibility and siloed departments, and working remotely and across multiple locations.

Eliminate Waste

Marketing and leadership books author Seth Godin describes one of the biggest, most frustrating and difficult-to-overcome challenges of our time in 12 words: “We’re so busy doing our jobs, we can’t get any work done.”

Why are we so busy? Because the pace of business continues to increase, and we often have an unclear return on investment for work. We face competing and changing priorities, and high-pressure deadlines. Hiring constraints and stretched resources play a role.

As we busy ourselves with being busy, it’s worth asking: Have we considered the risk of not investing in technology? What data are we collecting on people and productivity? Are we too busy to effectively attract and retain top talent, or identify the most profitable lines of business?

Eliminating waste helps us gain control. Business process supported by technology can give you control over what work is allocated to your top-performing staff. It can minimize bottlenecks in workflow, and give you control over reviews, signoffs and work quality. It also allows you to set priorities and balance the urgent tasks with the important tasks that may have more strategic value.

Technology Enables the Process

XCM offers visibility, control, flexibility and accountability. Visibility means having a 360-degree view that provides the insights needed to make resource adjustments or changes. Control means identifying departmental bottlenecks and implementing process efficiencies that will let you deliver quality results. Flexibility is enacting continuous process improvements that will help deliver increasing efficiency. And accountability means gaining a real-time “single source” of the status for every assignment, task and deadline. That supports greater accountability.
Case Study 1

Business Process Improvement

A 1,000-person CPA firm with 16 offices and $180 million in revenue shares staff throughout the business in various niche areas. They perform audit, tax and advisory services, and workflow had become a major problem. They used an inefficient paper process that included more than 50 point solutions. The firm deployed XCM to solve many pain points and take control of its work product movement. Clients get instantaneous responses on the status of projects; everyone everywhere knows status of every job. XCM enables the firm to connect the total business process lifecycle, absorbing existing technologies while giving each professional the insight and guidance to meet client demands.

Case Study 2

Audit

A 400-person firm had more than 400 audit tasks processed in 2015, and only two people on the quality review team. The challenge: A high volume of reviews and few resources to manage them. Multiple audit teams submitted financials for quality control, which caused bottlenecks. The lack of visibility into the quality control reviewer’s queue and workload was a problem, as were the increased number of “fire drills” caused by last-minute submissions for review and the tracking of review points by scanning emails into a folder. XCM established workflow tracking for the quality control process. It offered a singular, accessible view of what was on the quality control reviewer’s desk and estimated times of delivery. It helped organize the workload for the quality control review and provided a central web-based repository for review points in a scalable solution that accommodates firm growth.

XCM is indispensable for tax, accounting and finance executives because it helps them along the path to greater productivity. It organizes the chaos and creates a single thread of the truth for ownership. It centralizes information across systems, functions and tasks, and it absorbs existing technology without disrupting your culture.

For more information, visit xcmsolutions.com or call 781.356.5152.