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DEMYSTIFYING WORKFLOW —
ROADMAP TO FIRM SUCCESS

Your guide to understanding workflow, why it's critical to firm success, and next steps for implementation.

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DEMYSTIFYING WORKFLOW – ROADMAP TO FIRM SUCCESS

Your guide to understanding workflow, why it's critical to firm success, and next steps for implementation.

The concept of workflow continues to mystify the accounting profession. To date, even top thought leaders contend that a sound definition for workflow – one that truly resonates with accounting, tax and finance professionals – has yet to be developed. Part of the issue is an ongoing belief that practice management and workflow technology are one and the same, that only the tax process requires workflow automation, and that workflow is only relevant to large firms. Dispelling these myths and others will help demystify the concept of workflow, offer clarity on why it's important to firms of all sizes, and ultimately, help firm leaders take the first steps in implementing the right workflow technology.

This guide was developed, in part, based on the results of Network Management Group Inc.'s 2016 Accounting Firm Operations and Technology (AFOT) survey as it relates to workflow. With workflow maintaining a top spot as an ongoing business and technology challenge again in 2016, it makes sense that profession-wide adoption has been slower than expected. And with workflow at the heart of efficient firm operations, it's time for firms to move past the "challenges" and begin implementation of a powerful, productivity-enabling workflow solution. This guide serves as a structured roadmap to help firms evaluate and implement the right workflow automation system and, ultimately, achieve unprecedented efficiency gains.

THE SURVEY SAYS…

For the third consecutive year, firms continue to identity workflow as both a top technology and business challenge. In fact, managing workflow came in as the #2 business challenge this year, while it held the #1 position as a technology challenge. The top three business and technology challenges from the AFOT survey are displayed in the following tables on pages 4 and 5.

Top 3 Business (Culture) Challenges by Firm Size – Workflow Comes in Second

Attracting new clients	Managing workflow	Identifying opportunities for practice improvement and cost savings
55.9%	20.6%	23.5%
34.4%	44.3%	30.3%
39.3%	23.8%	27.4%
29.3%	17.1%	12.2%
2016 Total (n=281) **37.7%** | **2015 Total** (n=535) **46.9%**	**2016 Total** (n=281) **31.3%** | **2015 Total** (n=535) **30.1%**	**2016 Total** (n=281) **26.0%** | **2015 Total** (n=535) **32.1%**

Solo Practice   Small Firm (1-10)   Mid-size Firm (11-50)   Large Firm (50+)

"A main business issue lies in the culture of firms. Many firms have a partner-centric culture where staff follow the preferred process of a given partner. This translates into inconsistencies in workflow. The challenge here is getting buy-in from all partners to move toward automating and streamlining workflow. In smaller firms where there are less decision makers, making this change can be easier, but it's still a challenge."

RANDY P. JOHNSTON, CEO
Network Management Group, Inc.

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Top 3 Technology Challenges by Firm Size – Workflow Holds the #1 Spot

Workflow & efficiency	Security	Getting clients on board working with firm in digital way
29.4%	26.5%	17.7%
35.3%	13.1%	16.4%
38.1%	16.7%	11.9%
26.8%	36.6%	4.9%
2016 Total (n=281) / **2015 Total** (n=535) **34.2%** / **30.7%**	**2016 Total** (n=281) / **2015 Total** (n=535) **19.2%** / **N/A**	**2016 Total** (n=281) / **2015 Total** (n=535) **13.5%** / **16.1%**

Solo Practice　Small Firm (1-10)　Mid-size Firm (11-50)　Large Firm (50+)

"There is a broad need in firms for improvement in realization and better coordination of resources. Adoption of the right workflow technology is the answer; firm leaders just need a guide to get them there."

BRIAN F. TANKERSLEY
CPA.CITP, CGMA
Network Management Group, Inc.

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According to the survey, firms also recognize that **"Examining the firm for technology, process or workflow inefficiencies and solving them"** is the most effective way to control costs. In fact, workflow came in as the top resolution in the "Control Costs" category. Yet despite this recognition, adoption of workflow technologies within firms continues at a relatively slow pace. Consider the adoption rates of the profession's workflow solutions across firm sizes in the following table.

Adoption by Workflow Solution by Vendor

Answer Options	Solo Practitioner	Small (1-10)	Mid (11-50)	Large (50+)	2016 Total (n=271)	2015 Total (n=515)
Aero	0.0%	0.9%	0.0%	0.0%	0.4%	0.6%
CCH Axcess Workstream	0.0%	0.9%	3.7%	0.0%	1.5%	1.0%
CCH Practice Management	0.0%	2.5%	13.4%	12.8%	7.0%	3.7%
Custom-developed in-house	3.1%	0.0%	1.2%	7.7%	1.9%	2.9%
Doc.It Workflow	3.1%	11.0%	2.4%	0.0%	5.9%	2.1%
OfficeTools Professional	0.0%	9.3%	4.9%	0.0%	5.5%	7.0%
SharePoint	0.0%	0.9%	0.0%	0.0%	0.4%	1.4%
Thomson Reuters FirmFlow	0.0%	0.0%	0.0%	7.7%	1.1%	2.5%
Thomson Reuters Practice CS	0.0%	13.6%	15.9%	2.6%	11.1%	0.6%
XCM	0.0%	0.0%	20.7%	30.8%	10.7%	5.0%
Other (please specify)	9.4%	12.7%	4.9%	7.7%	9.2%	8.9%
Unsure	3.1%	0.0%	1.2%	0.0%	0.7%	2.9%
None, we are considering	28.1%	28.0%	18.3%	23.1%	24.4%	23.7%
None, we are not considering	53.1%	20.3%	13.4%	7.7%	20.3%	38.3%

DISPELLING THE MYTHS
Hindering Workflow Adoption

The big question is: If 65% of practitioners surveyed agree that "solving inefficiencies relies on workflow," then why haven't more firms adopted a workflow solution? The answer to this question has also been consistent over the past several years – with three core beliefs still in play:

① Practice Management is the same as workflow.

② Workflow is only for large firms.

③ Workflow is only for tax.

These beliefs are indeed myths. What IS true is that:

① Practice management solutions were developed to control time and billing while workflow solutions support firm-wide optimization of processes.

② Cloud technologies have leveled the playing field, enabling firms of all sizes to take on more clients with fewer or the same resources. This means that firms of any size require workflow to optimize operations.

③ Workflow automation has moved beyond just the tax process to support optimization of workflow processes across departments, throughout a firm.

Beyond these myths, the biggest hurdle, according to thought leaders and co-developers of the AFOT survey Randy Johnston and Brian Tankersley, is that firm leaders simply don't know where to start.

"Firm leaders see that there is a problem and know they need to optimize operations with workflow, but just can't figure out how to get there. They need to be led in the right direction."
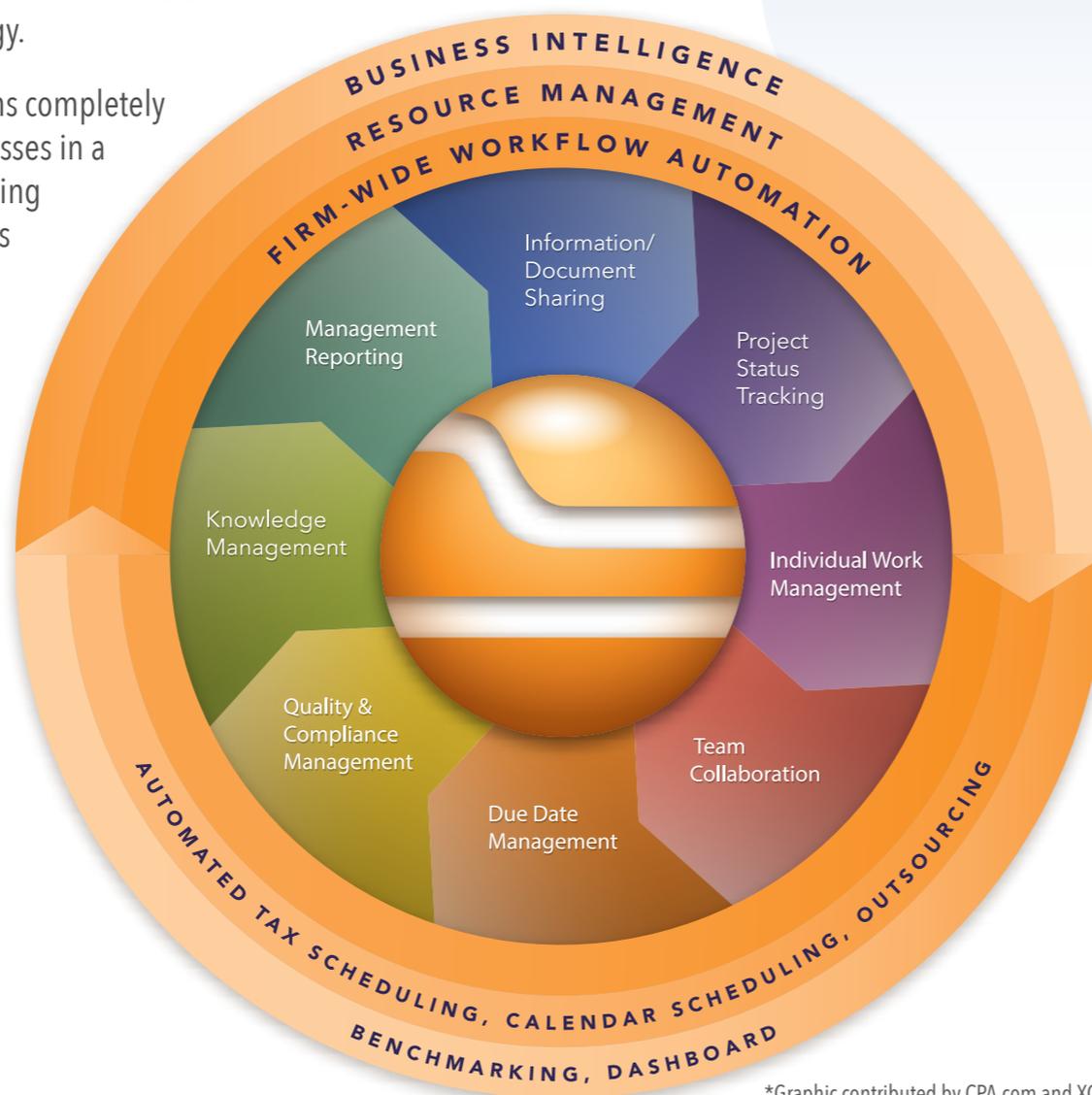
RANDY P. JOHNSTON, CEO
Network Management Group, Inc.

Your Guide to WORKFLOW IMPLEMENTATION SUCCESS

Implementing any new technology should always begin with a proper evaluation – or a Discovery Phase. Firm leaders must first ask the right questions in relation to current operations and then begin to research the right technology to solve workflow pain points. The remainder of this guide serves as a structured roadmap to help lead firms in the right direction and alleviate the fear of adopting new technology.

Leading workflow solutions completely automate firm-wide processes in a single location. The following workflow wheel represents what true end-to-end workflow automation

Workflow Wheel

BUSINESS INTELLIGENCE
RESOURCE MANAGEMENT
FIRM-WIDE WORKFLOW AUTOMATION

Information/ Document Sharing

Management Reporting

Project Status Tracking

Knowledge Management

Individual Work Management

Quality & Compliance Management

Team Collaboration

Due Date Management

AUTOMATED TAX SCHEDULING, CALENDAR SCHEDULING, OUTSOURCING
BENCHMARKING, DASHBOARD

Graphic contributed by CPA.com and XCM™ Solutions.

"So often professionals think only about a point-of-pain in a process or they focus on trying to automate an outdated process as the solution. The most successful organizations consider people, processes and technology as an integrated solution and know that producitivty materializes with people and capacity expands. Top workflow solutions focus on what people do and then apply process and technology."

MIKE SABBATIS, COO
XCM™ Solutions, LLC

Your Guide to WORKFLOW IMPLEMENTATION SUCCESS

Before moving forward with guidance, however, it's important to clearly define workflow in a way that is meaningful to accounting professionals. Randy Johnston offered a sound definition:

"Workflow helps firms move documents, tasks and other assignments from participant to participant [where a participant can be either a person or technology] in a controlled and automated fashion."

Brian Tankersley added: "It's the way you organize, track, monitor and report on tasks, products and services that have to be delivered firm wide."

Today's accounting professionals are listening to what the pundits are saying in relation to the value and necessity of workflow automation solutions. The issue is that practitioners simply don't know what that next step is … they need guidance.

"Telling practitioners that they need to implement workflow without giving them guidance is like telling someone who has never done it to go climb a mountain. They don't know what's involved, what tools they need, or what questions to ask. So, if they go it alone, they will fail."

BRIAN F. TANKERSLEY
CPA.CITP, CGMA
Network Management Group, Inc.

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Let the GUIDANCE Begin…

No practitioner should have to go it alone in terms of adopting workflow technology. It's a big transition. The following offers a simplified roadmap to help your firm start the transition with confidence.

Discovery Phase

During the Discovery Phase, it's important to ask the right questions and properly assess your current operational situation and your vision for improvement. The following serves as a checklist of questions that will help you properly assess where you are today and help you understand why it may be time to implement a powerful workflow system.

Considerations to guide your decision on how to increase capacity and productivity through a workflow platform:

I. What's driving your desire to improve your workflows?

- Client acquisition?
- Increased realization?
- Billing?
- Decreased or maintaining your cost base?
- Improved client interaction?
- Employee satisfaction and/or retention?
- Professional staff development?

II. Where are your bottlenecks in completing work? List all bottlenecks identified.

_____

III. How are the applications you are using today delivering productivity at an individual contributor, management and leader level?

- What would help individual contributors increase productivity?
- What tools would help management deliver better results?
- How can leadership improve visibility to KPI's and take actions to improve outcomes?

IV. How are you dealing with information, data and work product that exists in different point solutions? Task specific solutions like tax or audit and general solutions such as Excel, email and independently developed data files.

_____

V. How are you managing and allocating resources to all projects and deliverables?

- How are you assigning or reassigning work?
- When you onboard a new employee, how are you enabling them to understand the process and deliverable expectations?
- When resources are overloaded or no longer are available for a project, how do you deal with the challenges?

Evaluation Phase

To properly evaluate a workflow solution, you must consider four key value points: **Visibility, Control, Flexibility, and Accountability**. Ensure that the productivity enablement solution you identify provides the features and functionality to support these value points.

① Visibility

Ensure you select a workflow solution that provides a panoramic view of all information across the firm. This offers the insight needed to make resource adjustments and changes to enhance efficiency.

To ensure full visibility into firm-wide information, consider systems that offer such features as:

- Real-time access to all components of a process.
- Ability to see upstream, currently active and downstream activities with responsive search technology.
- Visibility to resource allocation, milestones and deliverables requirements.

② Control

The right system will offer real-time views into data, allowing leaders to quickly identify departmental bottlenecks, implement process efficiencies, and deliver quality results for full control of workflow processes.

To ensure you maintain full control of workflow, consider systems that offer such features as:

- Ability to deliver guidance in the form of checklists, knowledge points, unique requirements and due dates.
- Ability to quickly reassign work and resources – individually or in groups.
- Instituting "Risk" profiles to ensure statutory, regulatory and other compliance requirements are achieved.

③ Flexibility

Leading workflow solutions support on-the-fly, continuous process improvements. Select a platform that can easily evolve with your needs – enabling you to quickly update processes, change order of tasks, update checklists or add new aspects to your workflow.

To ensure the solution is highly flexible and can "scale" to your needs, consider systems that offer such features as:

- Ability to create repeatable processes that rollover in the frequency your business demands.
- Flexibility to work on any device or in any browser, anywhere and anytime.
- Platform that can support work from tax, accounting and finance to HR, operations and more.

④ Accountability

The right technology offers a real-time single source that provides a "true" view into every assignment, status, task and deadline.

To ensure accountability, consider systems that offer such features as:

- Clarity to the work process at an individual contributor level up to management and top level leadership.
- Real-time insight to all components of the process.
- Easy access to required actions on demand.

Combined, these value points bolster firm-wide productivity – and ultimately elevate profitability and realization rates.

VISIBILITY **CONTROL**

XCM™ PRODUCTIVITY ENABLEMENT QUAD

ACCOUNTABILITY **FLEXIBILITY**

*Productivity Enablement graphic developed by XCM™ Solutions. XCM is an end-to-end workflow automation solution.

CONCLUSION

In today's cloud-driven technology world, firms of all sizes are doing more work with fewer resources. Advancements in technology, especially workflow automation systems, have truly allowed firms to scale services and maintain a high level of operational efficiency. Yet, according to recent statistics provided via the annual Accounting Firm Operations and Technology survey, adoption of workflow solutions is still slow. In fact, for the third consecutive year, firms cited workflow as a major business and technology challenge.

So what will it take to move firms passed the "challenge" and begin the much-needed transition to workflow technology implementation? According to thought leaders, a better understanding of what workflow is and offering a guided path will help. First steps have been clearly outlined within this eBook, including asking the right questions to properly evaluate your firm's need for workflow and tips for assessing the right workflow technology. Following these simple, structured guidelines will help firms move forward with workflow, optimizing firm operations, and realizing immense gains in efficiency and profitability.

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About CPA.com

CPA.com is the technology subsidiary of the American Institute of Certified Public Accountants (AICPA), the world's largest member organization representing the accounting and auditing profession. The company, through its website CPA.com, as well as online webinars, conferences and training programs, helps firms position for success within the digital transformation that is revolutionizing the competitive landscape.

About XCM™

XCM™ Solutions, LLC provides cloud-based productivity enablement solutions for tax, accounting and finance professionals in both public accounting firms and corporations. XCM's productivity enablement platform enables firms to effectively and collaboratively manage work firm-wide and across offices. XCM is widely recognized as a best-in-class workflow management solution to achieve greater productivity and create capacity in order to accomplish more work while optimizing your resources.

CPA.com forms strategic alliances with leading solutions providers focused on the accounting profession and serves as a value-added distributor of these solutions to CPA firms nationwide. XCM is a preferred partner of CPA.com for its automated workflow solution.

Learn more about XCM™
For a detailed description of workflow automation and the immense value to firms, please view our video at:
CPA.com/videos/what-true-workflow-automation

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