

# Lean Six Sigma + Automated Workflow Technology:

Your Formula to Scale Up  
Your Practice

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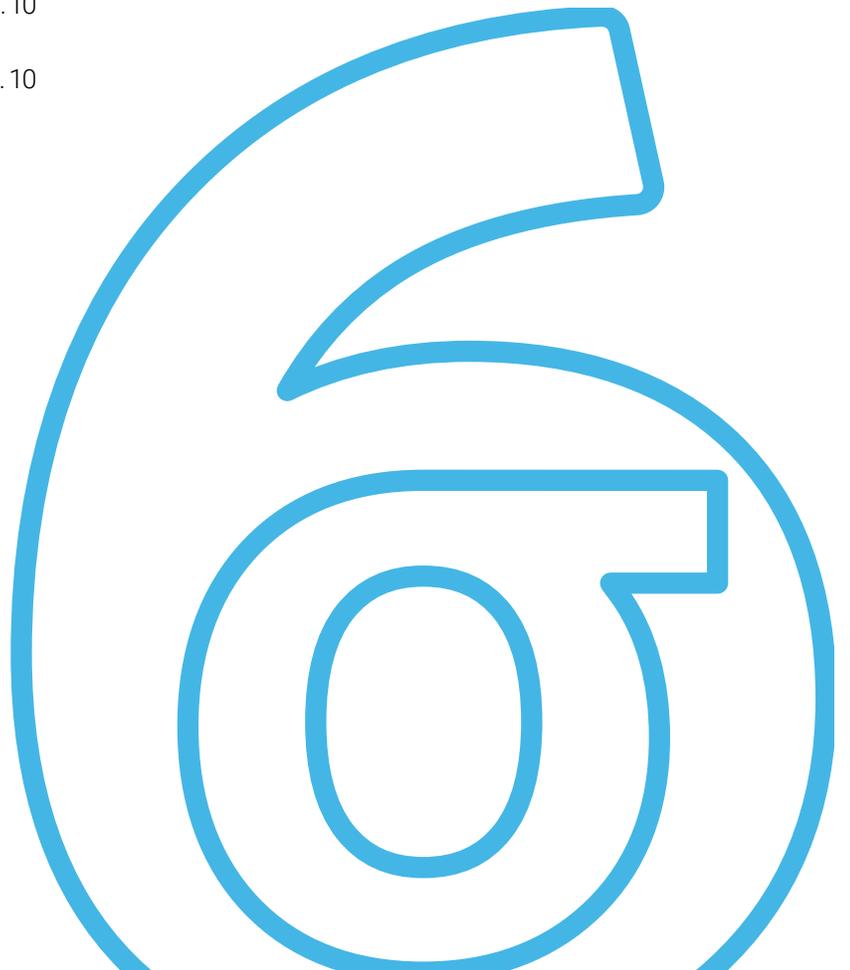
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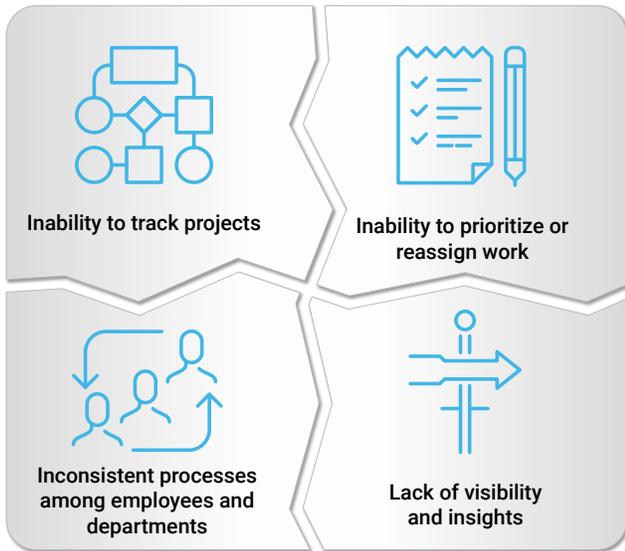
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# Introduction

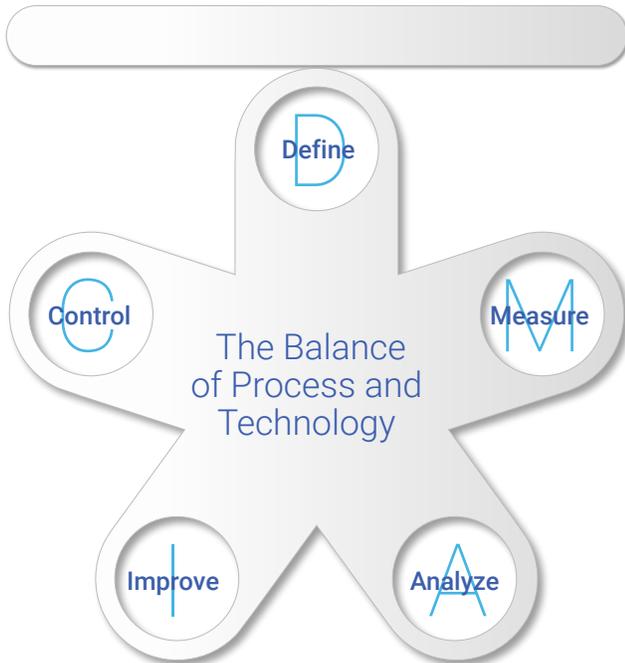
## Inefficiencies in a CPA Firm



Business Process Defined



Technology to support the process



In today’s business environment and ever-changing landscape of digital disruption, firms need to seek out every competitive advantage. One competitive advantage that leading firms have found is leveraging Lean Six Sigma and workflow technology to support new and improved processes.

Consider the following common symptoms of inefficiency in CPA firms:

- Delays in completing jobs and responding to client requests
- Waiting for client data to trickle in
- Variation in processes between employees
- Numerous, repeated review notes
- Time wasted searching for client data
- Excessive partner time spent on minute details and not enough time spent on high-level activities
- Feeling as if you’re always working harder, not smarter

If your firm has experienced any of these problems, inefficient processes are holding you back from maximizing talents and resources.

In this guide, we’ll show you how firms that blend Lean Six Sigma with workflow management experience:

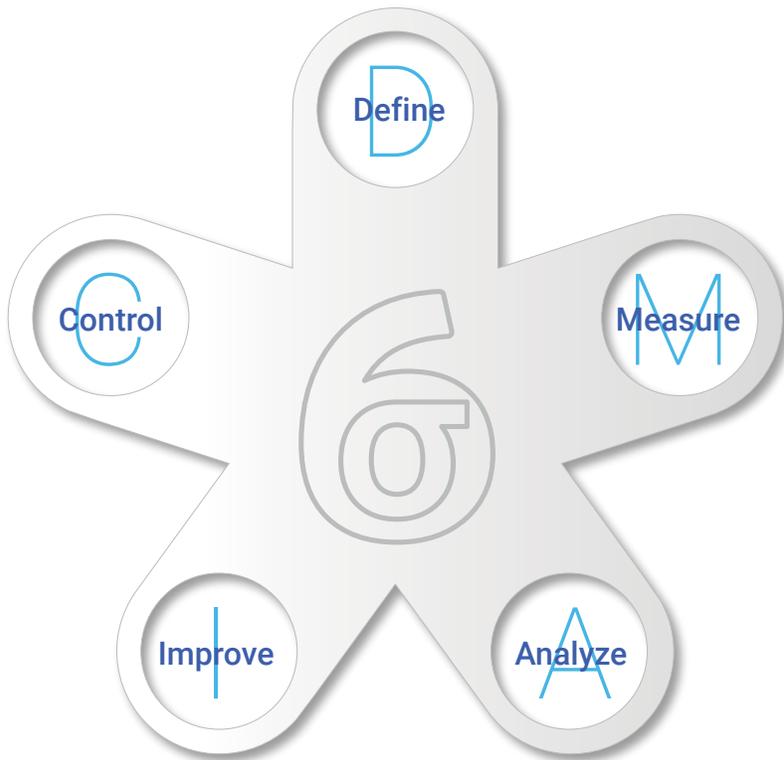
- Increased throughput and capacity
- Improved quality
- Less time spent on non-value-added tasks
- Increased client service and satisfaction

All of which will allow your firm to maximize the value of your work and improve your bottom line.

# What is Lean Six Sigma (LSS)?

To put it simply, Lean focuses on the efficiency of a process and Six Sigma focuses on quality. An effective process within a CPA firm must have the correct balance of both efficiency and quality. In an accounting firm, LSS focuses on adding client value by eliminating waste, or steps that don't add value from the client's perspective. The ultimate success of any process improvement project is a direct reflection of how effectively you answer two critical "why" questions:

1. **Why do we need to change?**
2. **Why will these changes be better?**



The most effective way to approach this is the 5-step DMAIC process.

## D – Define

What problem do you want to fix? Create the vision, define the objectives, identify the scope and create timelines for completion.

## M – Measure

Measurement is critical for thoroughly understanding the baseline and current state of your process. Not what "should be" happening, but what is actually happening today – and all of the variation between offices and individuals.

## A – Analyze

Tear the process down. What does the data tell you? Identify the inefficiencies and waste. Identify the work loops and churn. Identify the quality issues. Ultimately, identify areas of opportunity.

## I – Improve

How will you fix the problem? Develop ideas and solutions in the areas of opportunity identified during the Analyze phase. Don't just apply best practices to a part of the process that isn't a root cause of weakness. That leads to ineffective change and convoluted processes.

## C – Control

How will you sustain the improvements? Take time to train, roll out and implement the new process. This is where you must address the 'why' questions. If you did your homework in Define, Measure and Analyze, this step will go much smoother.

# What happens next?

A critical step in any process improvement project is syncing newly defined business processes with an automated workflow system. Today's automated workflow tools are so powerful, they have the ability to replace:

- paper routing sheets
- spreadsheets for tracking projects and due dates
- timesheets

When properly thought out, your workflow will become your one source of truth for all projects in your firm. This involves translating your new process steps into the steps of your automated workflow.

Your automated workflow solution must have the flexibility to handle different steps or tollgates for the various services you perform.

For example, the steps your team follows during the preparation of an individual tax return and a business return have many similarities but will also have differences. Likewise, your process will include different tollgates depending on whether you are performing a financial statement audit, review, or compilation.

This gives you more insight into your workflow so you can track:

- How many projects have yet to come in, how many are in process, and how many are complete
- How many days it takes to complete different projects or steps within those projects
- The status of projects, without constant interruptions from phone calls or emails
- Bottlenecks that tend to hold projects up

Without an efficient method for tracking projects through your firm, you likely don't know the average number of days between the end of fieldwork and the

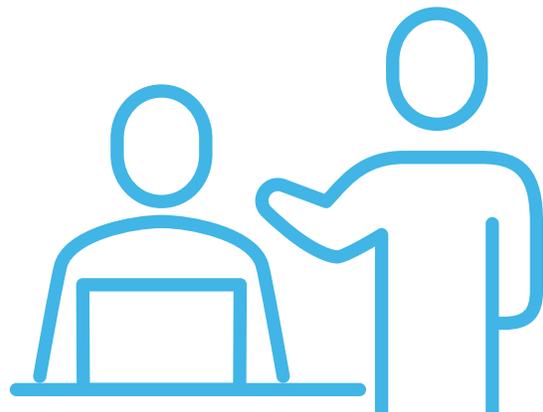
issuance of financial statements. You probably don't know the average number of days it takes to complete a tax planning engagement, from the time the client provides information until you meet with them to review your projection.

Part of a LSS process improvement project involves setting goals for the number of days between crucial tollgates, so you can track your actual results, compare them to the goal, and get a better understanding of what is working versus what needs tweaking.

Lean isn't about documenting processes so they can collect dust on the shelf. It's about continuous improvement: what can you do to get better?

Let's say you set a goal to turn business returns around in 13 days. At the end of your first tax season after undergoing a Lean process improvement project, you're at 12.5 days. You've exceeded your goal! But what can you do to get to 10 days? Can you make other improvements that will reduce the number of days those projects are in prep? Waiting for information from the client? Waiting to be reviewed or assembled?

The data you need to make a change resides in your workflow. The information contained in your workflow lets you work smarter, not harder.



# Who is a good fit for Lean Six Sigma?

Which firms can benefit from Lean Six Sigma? The short answer is: firms of any size, working in any practice area.

Maybe you started your firm in the spare bedroom of your house, or one of the founders of your firm started the firm with just one or two clients. At that point, one professional could keep track of all of clients and projects in their head or on a To Do list. Eventually, you outgrew those methods.

In the moment you have the thought that you could benefit from tracking clients and projects in a spreadsheet, it's time to start thinking about workflow.

Beyond that, you just need a willingness to do something different, an interest in beginning with the end in mind, and a desire to be strategic with engagement management.

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## Case Study

Meyers Brothers Kalicka, P.C. (MBK) is the largest regional public accounting firm in Western Massachusetts, with seven partners and more than 50 full-time staff members. The firm provides auditing and accounting, tax, advisory, and business valuation services to a variety of industries, including construction, healthcare, not-for-profit, real estate, and manufacturing.

MBK engaged Boomer Consulting, Inc. to implement LSS initiatives to make MBK operations more efficient. To that end, many process changes were implemented, with a main objective to complete tasks within a best practice timeframe.

*"They have done a wonderful job in terms of educating us and honing in on principles," said Brenda Olesuk, Director of Operations and Development at MBK. "The challenge for us is that they're not here on a day-to-day basis. It's up to us as a culture to really adhere to these principles, and that is challenging."*

MBK was looking for a way to reduce their reliance on paper-heavy processes and improve communication across departments. The firm had data stored in several locations, and this lack of a single database caused bottlenecks and made it difficult for the firm to streamline operations.

*"XCM is a structure that institutionalizes those LSS principles," said Olesuk. "It's not just one person's habits, it's a lot of people's habits. Without having a tool that everyone has to use, it's very hard to change people's habits if you can't see them. And with XCM you can see them."*

After going through two process improvement projects and reviewing available automated workflow tools, MBK adopted XCMworkflow®.

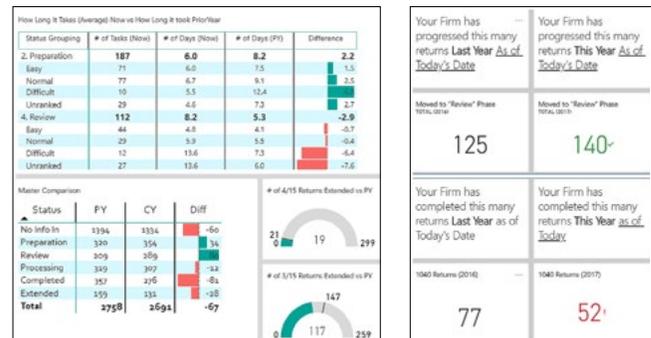
# Case Study continued

XCM fully supported MBK by helping the firm get all of their data out of spreadsheets and disparate databases into one central repository, and the benefits have been tremendous. MBK has gained:

- **Control.** Standardized processes gave them far greater control over work moving through the office.
- **Accountability.** XCM allowed for greater accountability among staff because firm leaders could now see exactly who is doing what.
- **Flexibility.** With streamlined processes in place, MBK can quickly reassign tasks when needed.
- **Communication.** Information now seamlessly flows between departments, enabling staff to serve clients better.
- **Efficiency.** MBK's team are able to answer client questions a lot faster and get projects completed and out the door quicker than ever before.
- **Culture.** These improvements have helped create a calmer environment at the firm, which has really improved firm culture. Deadlines are far less stressful, which makes for happier staff.

For MBK, XCMworkflow has enabled them to see measurable results that align with Boomer Consulting Inc.'s recommended KPIs across departments.

**Note:** This XCManalytics as a Service® screenshot contains sample data. It does not reflect actual MBK firm data.



Meyers Brothers Kalicka, P.C. uses XCMworkflow®, XCMscheduler®, and XCManalytics as a Service® to see measurable results that align with Boomer Consulting Inc.'s recommended KPIs across departments.

*"On the tax side, we have consistently reduced the number of days from when a client brings in their paperwork to when MBK e-files it," said Olesuk. "Every single month we beat our prior year. On the A&A side, [Boomer Consulting, Inc.] told us they needed something to show the amount of time between fieldwork, to releasing the financial statement. Now we can see the number of days a particular engagement team is out in the field. Without XCM, we had to look this up one-by-one in each engagement."*

# XCM: Technology and Business Process

XCM works with organizations to reduce turnaround times on client deliverables, such as tax returns, Client Accounting Services, and Audit Engagements—delivering a 5 times return on their investment. XCM can benefit organizations who need to decrease business process timeframes by:

- Streamlining work routing to address bottlenecks
- Enabling full transparency—so nothing falls through the cracks
- Reducing the risk of costly errors with due date tracking

Unlike other solutions that can't be restructured after implementation, XCM allows you to configure business processes to the way you work. This is combined with real-time analytics and reports, so you can make instant decisions on your business. XCM's unique focus on rapid deployment ensures a payback of less than one year.

XCM's implementation teams bring deep subject matter expertise to the process, with many team members having worked in roles such as CPAs, Schedulers, and Firm Administrators for firms that at one time had workflow challenges. The implementation team members also have advanced training in areas such as Lean Six Sigma and other business process improvement disciplines.

Working with consultants who provide Lean Six Sigma engagements enables the XCM implementation team to immediately translate previously completed and well-articulated process maps into XCMworkflow. Being immediately connected to the same language, definitions, and desired outcomes enables rapid deployment and somewhat immediate return on resource effort and prior investment.

Beyond that, the XCM implementation team is available to take responsibility for the configuration element of the software from the customer. This allows the firm to refocus on monitoring their results and providing actionable insights for continuous improvement via XCMworkflow's advanced reporting, key business metrics, and analytic tools.

The implementation process ensures a successful methodology to capture KPI data for ongoing measurement and continuous improvement. Because XCM consultants are also Green Belt certified, they can easily take data points that complement the DMAIC process and spotlight concern areas for customers, as well as future improvement opportunities.

For customers who do not elect to go through a Lean Six Sigma engagement, the XCM implementation team is also able to offer a general process improvement walkthrough via our highly managed implementation process and consultative engagement. After every implementation, XCM customers are well positioned for success and higher levels of efficiency and productivity.

XCM customers like MBK who have completed Lean Six Sigma can leverage their insight into the KPI's provided by their Lean Six Sigma consultants. MBK's KPI reporting includes a variety of metrics, such as turnaround time averages by type of engagement (tasks started, tasks completed, and tasks in a specific cycle), or more detailed reporting such as employees' productivity metrics compared against the firm target goal or current firm metric.

Working with technology consultants with an LSS background allows firms to take advantage of their workflow technology, without losing sight of the end goal of the LSS engagement.

# Conclusion

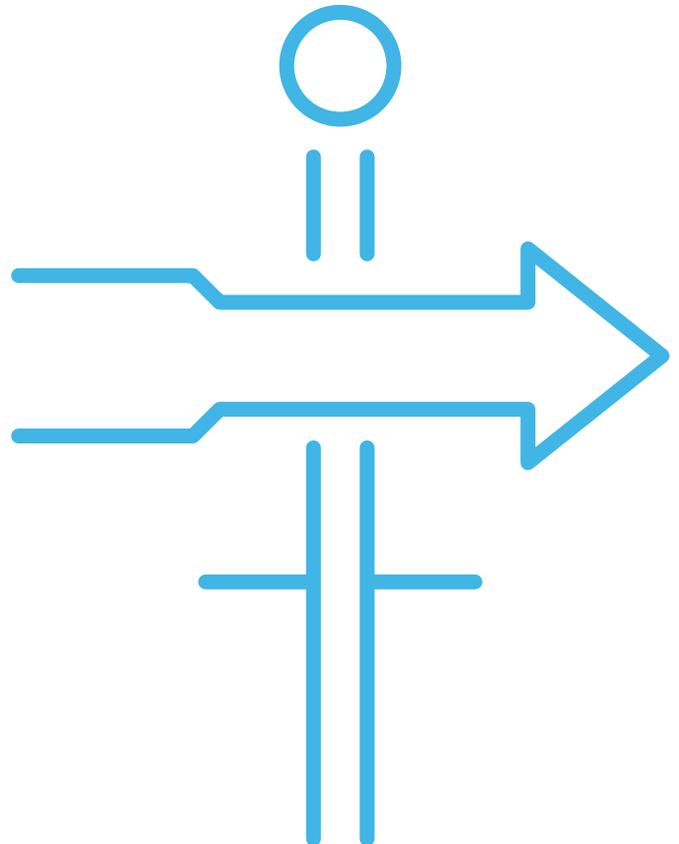
An automated workflow tool holds you accountable to new processes and shows you where to focus to achieve new goals. To highlight the success firms have achieved by leveraging Lean Six Sigma and an automated workflow tool, we've provided actual results from a few firms below:

- A four percent increase in realization in their audit practice
- Tax staff saying the March 15th deadline was the best they've ever had and describing it as a "non-event." They were done about four days before the deadline, allowing them to shift their focus to returns due April 15th
- A 1040 tax practice having margin improve by 3.4 percent, after two years of their margin moving in the opposite direction
- Total output as compared to the prior year consistently 10 percent ahead each week in the first busy season after implementing both Lean and XCM
- Admin time down 28 percent, while the days from the end of fieldwork to issuance of financial statements was cut in half

If you want to move your firm beyond breakdowns in client service and stress around deadlines, and toward increased profitability, a combination of Lean Six Sigma and an automated workflow system is a proven method for getting you there.

*"Processes without accountability are ineffective. When you combine process improvement with workflow technology that gives you visibility into all the information across the firm and insight needed to make resource adjustments, your firm will be on the path to continuous improvement, happier clients and less stressed out staff."*

- Michael Wherry, CPA  
Consultant & Lean Six Sigma Black Belt  
Boomer Consulting, Inc.



## About CPA.com

CPA.com's mission is to empower CPAs for the digital age by providing targeted technology solutions, education and best-in-class strategic resources to help position CPAs and their firms for success in today's digital world.

CPA.com's partnership with XCM, a leading provider of workflow automation, provides CPAs a proven partner that can expertly consult on business process improvement to achieve productivity enablement via workflow automation. XCM has helped more than 25,000 users realize the value of automating workflow.

Explore the [resources](#) CPA.com and XCM offer, including white papers, success stories and educational webinars on how to build a fully automated, end-to-end workflow in your firm and get more out of your human capital. CPA.com is a subsidiary of the American Institute of CPAs (AICPA), the world's largest member body representing the accounting profession. For more information, visit [CPA.com](#) and stay connected on [Twitter](#) and [LinkedIn](#).

## About XCM

XCM offers a complete productivity enablement and workflow platform that empowers you to manage all types of work— within all departments, across multiple offices.

It's an open platform system that works horizontally across tax, accounting, finance, audit, and operations applications. XCM manages millions of processes per year, enabling professionals to complete more work, in less time, with greater quality. Our device and browser-agnostic cloud solutions offer real-time anywhere, anytime access to work.

Though we integrate with several popular tax and accounting packages, the real payback is through your greatest asset — your people. XCM is the only productivity enablement and workflow platform endorsed by the AICPA, and complies with the controls and applicable criteria of the AICPA Trust Service Principles.

For more information, visit [XCM](#) and stay connected on [Twitter](#) and [LinkedIn](#).

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