Building your bullet-proof plan for paperless practices

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This white paper was created in partnership with Joseph P. Manzelli Jr. CPA.CITP, Director of Operations, **fuocogroup** Certified Public Accountants Business Advisors

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Overview

You know that implementing digital technologies will help your practice be more productive and competitive. You've heard that some firms have realized efficiency gains of 30% or more. You also know that going paperless requires significant upfront costs in time, resources, and technology investments. But, what's the best way to approach it? Is an incremental change best, or an immediate affront on how your firm operates that will garner those results?

This paper aims to help you better understand the merits of each approach to build a plan that's right for your business. Going paperless is not a one-size fits all endeavor. Organizations vary in culture, size, structure, processes, technology investments, and resources, among other things.

Learn from the successes and the missteps from practitioners who have maximized their paperless investments to achieve immediate gains for your business, by:

- Building the right plan for your future - elements to consider;
- Understanding essential technologies in a paperless environment;
- Redefining your processes for a digital workflow;
- And, creating a paperless culture.

About the Author

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Getting Started – Understanding Your Organization's Situation

It may sound contradictory to my stated thesis, but there is no magic bullet when it comes to devising an organization's digital technology strategy. Many variables come into play that work together to make your situation unique. What works, for example, at one 15-person tax firm will not necessarily work at the next 15-person tax firm, despite the obvious similarities in size and business.

For many organizations, the idea of moving to a digital operation appears to be a daunting task – particularly for those accustomed to moving paper files around the office to signal there is work to be done. The reality for most firms is that you already use some paperless technologies – a computer, a scanner, a LAN, a broadband connection, a Windows® Explorer file folder system, tax software, a client database, Adobe, etc. The leap from these foundational tools to establishing a truly digital work environment is not a significant technology investment – it's primarily a change in process and culture.

Take, for example, the 15-person tax firm that I mentioned. For them, setting up a digital work environment became an imperative to keep a senior tax supervisor whose spouse was being relocated to another state. The need to empower a virtual team structure was the catalyst that made them bite the bullet on what they perceived would be a challenging, resource-intensive endeavor.

What they failed to realize was that they had many of the tools in place already – they simply needed to change the way they were using them. Sure, there were other technology investments that made moving to digital work processes exponentially easier, but the greatest challenge for firms is one of change management, which starts with your organization's culture.

I would argue that cultivating a technology-progressive culture is as important as having the right resources. The cultural change involved is as much about consensus building – getting agreement on the goals of your paperless plan, having the right people at the table, and empowering everyone to be successful through role-appropriate training on the processes and technologies you implement. Another critical aspect is leadership and empowering your internal champions to create the change you're seeking.

The first important component of your plan to create a digital work environment is to establish at the outset realistic goals and a process for measuring the success of those goals at various phases of the project. Whether you've decided it's better to change everything at once – rip off the band-aid, so to speak – or a more incremental approach is right for your firm, you will have phases – the timeline by which those milestones are reached will simply be shorter or longer based on your approach. At each interval, you need to have a plan to measure the effectiveness of those changes and to modify them if you're not on the right track to meet your desired goals.

Maybe you're waiting for the economy to turn around - for cash flow to improve. Maybe you feel you need a catalyst to push you in this direction – like an employee that requires telecommuting. If that's the case, then perhaps you simply need to review your business goals and reconsider your technology investments in light of their ability to help you attain those goals. Digital work processes have helped firms improve productivity by as much as 50 percent or more. Would you be able to get more business if half your day were free to go after it? Could you improve staff retention if they finished work earlier during busy season, or had the flexibility to work from home on occasion?

There's no time like the present to get started.

Going paperless does not have to require a sea change. There are three pieces of advice that I give all my clients – particularly those who worry about the resources required to "get it right":

1 Exploit any and all resources at your disposal. Our profession has been moving towards the paperless office for almost a decade. Don't reinvent the wheel – learn from those who've already done it. There are an abundance of free and inexpensive resources available to help you.

2 If it's not working, move on. Process improvement is not a one-time project. It's a continuous cycle of adaptation yielding ever-improving results. And, some of it will be trial and error. What worked for your colleagues will not necessarily work for your firm, but it doesn't mean you shouldn't try it. However, don't let broken processes languish - learn quickly what's not working and modify it.

3 Be realistic and refine as you go. This one is closely tied to my last point. Have realistic goals and a plan for measuring and refining as you go along. As they say, Rome wasn't built in a day, and no one expects you to implement a smooth paperless process overnight.

It's All in the Plan

Should you spend three months creating your plan for going paperless? Maybe, but probably not. It's up to you as to how much time and how many resources you want to put into your plan. Three months is certainly not necessary for most organizations. What you do need is a written document (how else can you share and build consensus?) that covers six essential elements:

- Goals
- Technology
- Team
- Communication and Training (Culture*)
- Timeline
- Measurement Process

Goal Setting

First and foremost, what do you hope to accomplish? You're about to spend some time and most likely some money on this initiative, so shouldn't you have a clear outcome in mind? I counsel my clients to think about overarching business goals, as well as the individual, more personal goals.

Let's face it, whenever you're asking people to change how they do things or take on more responsibility (even if just to sit through a training or two), you must always assess the WIIFM (what's in it for me?) factor. Whether consciously or subconsciously, everyone is motivated by the personal benefits they hope to gain from the efforts they exert. Make it easy – involve your team in the goal setting process and help them understand from the start what's in it for them.

If you have a small organization, this exercise may be as easy as calling a company meeting, outlining your business goals and discussing specific advantages for each individual. In a larger company, goal setting may encompass more meetings, but it's essentially the same process on a larger scale.

One 70-person firm had several practice areas – some of which were independently branded lines of business that essentially worked autonomously, except for a large, shared administrative function that crossed all areas. Each of the practice area leaders, including the firm administrator, met separately with the members of their team to identify one overarching goal for their group and secondary goals specific to the various roles within the group. When I met with the leadership, we reviewed all the different goals – acknowledging those that appeared to overlap and reconciling potentially conflicting goals. The firm settled on one overarching goal and five unifying personal goals that satisfied the needs of each department.

You don't have to have a formal meeting or meetings just to set goals. For you, this initiative may be a long time coming and everyone may agree that it's the right thing to do. However, communication and participation early in the process will help ensure buy-in at all levels. And, what better place to start than talking about the positive outcomes the project will bring:

- Improved productivity
- Enhanced client service
- Leaner, greener operations
- Greater employee satisfaction

You'll find that, as with anything, you will meet less resistance if your staff feels engaged and heard throughout the process, than if they feel that something is being forced on them. Will there be people who may still voice their concerns during the goal setting process? Possibly, but that presents an opportunity to address them early. Learning everyone's view early also helps you establish your communication strategy. A supervisor whose natural tendency is to play devil's advocate may also serve as a great sounding board if their questioning is viewed as a constructive instrument of change and not as a negative element to avoid.

Technology Assessment

As I said at the outset, unless your office looks like a scene from a Dickens' novel, you've probably already invested in some paperless technologies. Start by cataloging them. If you have a dedicated IT function, they probably already have records documenting all of your technology assets — both in your data center and on desktops.

Another area not to overlook as you're itemizing all of your technology investments is frequently used Web services and personal computing items, like mobile devices. All of these technologies already comprise your existing technology strategy — even if it's not a formal one - and should therefore be considered as components of your work processes.

Many people may naturally associate certain technologies with going paperless — like a scanner, or a document management system. Certainly, a scanner is an essential tool if most of your work papers and client documents are coming into the office in paper form. However, what about that handy little accessory that came standard with your Windows® operating system? That's right, I'm talking about Windows Explorer.
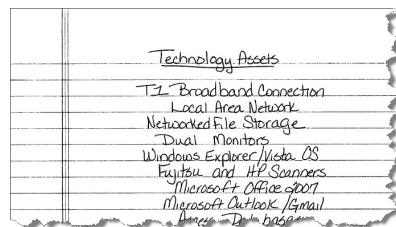
Most organizations today already have some type of local area network (LAN) set up, connecting individual workstations. You probably have also figured out a system for filing and sharing client documents and other types of work. Guess what? You have a document management system. Perhaps it's not as sophisticated as some of the commercially marketed DMS products, but it does the job.

As you take inventory of your current technology investments, make a list of not just which technologies you and your staff use, but also jot down what you use them for. You'll need that later when you map out your existing processes, and also to begin the process of identifying your future needs. In some cases, your current technologies can help get you there if you only change how you use them.

In my practice, we had established an effective document filing system using Windows Explorer years before we went paperless. However, we were scanning our client source documents and storing them in our electronic filing system at the end of our process. Anything we received or had stored from the previous year electronically was being printed and passed through the office. We weren't maximizing the investments we had made because we couldn't figure out how to adapt our workflow to scanning on the front end. This is a common challenge that one firm solved years' ago — to the benefit of us all, and I will come back to that.
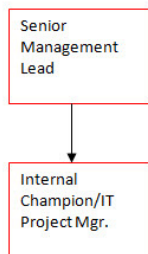
Team

Taking on a firm-wide initiative like this is not for the faint-of-heart, nor is it necessarily the undertaking of one person. You need to understand your own situation and determine how to structure your project team. Unless you are a sole practitioner[1], you need a minimum of two people on the team – if for no other reason than to always have one person who can keep it moving forward.

When thinking about your team, consider these four roles, as well as the individual personalities and dynamic of the team you tap to fill these roles:

- **Senior management lead:** This person is the one driving the project. He or she has the authority to lead the process and commit to the goals of the project. This individual ensures the goals map to the overall vision for the company.

- **Internal champion:** Your team champion is the person who believes in the value of this initiative and is empowered to push it through. This person is the "doer"; they have the ability to force debate and the authority to make decisions. This individual does not necessarily need to be a partner, but simply a person who sees the big picture and has been given the authority to guide the process and execute on the plan.

- **IT project manager:** Sometimes, this person and the internal champion will be the same person, if he or she has a broad enough understanding of the organization's operations and is comfortable working with technology vendors.

- **Role/LOB members:** Bring in individuals from various roles or lines of business to round out your committee. Doing so will help you establish buy-in and give you viewpoints from all the various roles and/or departments in your organization: administrative function, staff-level, managers, tax, A&A, etc.

Project Team Set-Up

Small Organization

Senior Management Lead
↓
Internal Champion/IT Project Mgr.

Large, Multidiscipline Organization

Senior Management Lead
↓
Internal Champion ↔ IT Project Manager
↓
Audit Practice Liaison | Tax Practice Liaison | Bookkeeping/Other LOB Liaison | Operations/Administrative Liaison
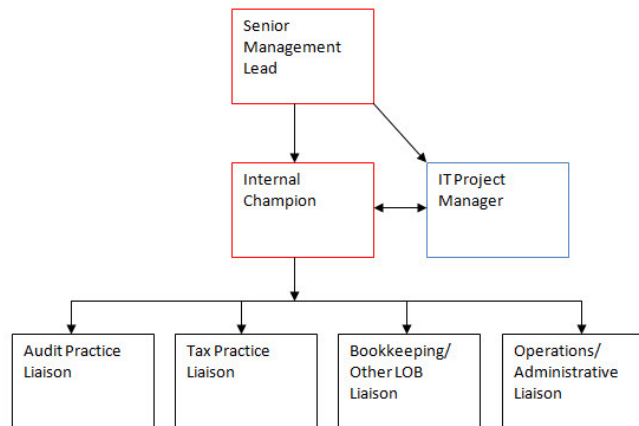
Figure 1 – The project team will vary according to your organization's size and structure.

That's not to say that the committee you assemble will necessarily have a say in the decision-making. Their role is to help your internal champion and IT project manager understand the processes and serve as a sounding board for the decisions they make. Set expectations at the outset in terms of what their role is and the time commitment involved. If this initiative factors into their overall performance review, be sure to tell them how.

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(1) I've often been asked by sole practitioners what advantages they really gain with a paperless workflow when there's no one to move work to. To that, I argue that a sole practitioner has the most to gain by going paperless. In addition to the inherent portability of a digital operation, documenting and automating all of your processes and capturing all the client knowledge you've amassed over the years digitally will significantly increase the value of your business for sale or for the next generation.

Take care to not only consider the kind of person required for your project leaders, but also the personalities and dynamic of the other team members. Someone who simply always does what is asked of them may not represent the views of his or her department well in a debate, while a person who is very outspoken may monopolize discussion. Balance is key.

One person I spoke to was reluctant to recommend new solutions to his partners, even if he thought they could yield significant productivity improvements, because the last IT project went so poorly. Everyone was still a little gun-shy. It turns out the project team he had assembled had strong representation from the tax and bookkeeping departments, but because audit was poorly represented the implementation began to unravel when training the audit group brought a whole host of issues to the forefront. Building the right project team is best, but frequent communication can also head off potential pitfalls before the implementation stage.

Timeline & Measurement

The last two elements of your project plan are closely linked:

1 First, set a realistic timeline with deadlines for specific deliverables and goals for key milestones. Be sure to build in time to effectively measure your progress and adapt your plan as necessary. Both your timeline and your measurement process are critical components of your *written* project plan.

Having an open-ended goal or a lofty timeframe in mind doesn't help anyone. Even if you do not have specific milestones at the beginning of the project, having a "go-live" date in mind will help you work backwards to build a reasonable timeline for hitting that goal. Vendors should help you fill in some of the blanks with just a little bit of insight from you in terms of your goals and decision-making process. They know how long it takes an average firm to implement and learn to use their software and can work with you to develop a timeline that suits your needs.

2 Once your key milestones and important deliverables are outlined in your timeline, build a process in around quantifiably measuring your progress against your original goals. Measure both, tangible and intangible benefits. For instance, your goal may ultimately be to work digitally by next tax season, but in order to do so you need to re-engineer all your paper processes to maximize your investment in an automated workflow management solution.

Over the summer, you document all your paper processes and adapt them for the new workflow system you're simultaneously implementing. But, before you roll out the new process to the entire tax department, you might consider having a small team test the new processes during the fall filing deadlines so you have an opportunity to refine them under real circumstances.

Run time trials to record how similar returns are processed through your traditional workflow vs. the digital workflow. Share the results with the team and solicit feedback about their experience. Did they feel like they had more (or less) control over their work?

However formal or informal your measurement processes, it's important that you assess as you go along and are not afraid to make mistakes. You can learn from your peers' successes and can also learn from their missteps. Keep in mind that what works for one will not work for all and vice versa.

When implementing a DMS, we had solicited input from the vendor to establish our file naming convention. Most firms store files by year, so we followed their advice and did the same. Shortly after we began we ran into an issue – a tax notice came that was associated with a tax return from two years' prior. Do you file it in the current year or with the return from two years ago? Because of our three year retention policy, the new tax notice could inadvertently be purged prematurely if we back dated it. In that instance, the vendor suggestion would have led to a problem because of our established procedures. We opted instead to date the notice for the current year with a reference to the original year.

While vendors typically have practical advice based on best practices from other clients, they do not have an intimate understanding of your operations. Therefore, your team needs to assess the situation on your own, and then evaluate the vendor's recommendations in the context of your processes. Don't be afraid to change your mind. And, ask questions – of your vendors, your team, your peers, and industry consultants.

Navigating the Technical Terrain

It's true that technology decisions can be intimidating, particularly for those of us who remember mainframes and time-sharing. A number of resources exist to help practitioners evaluate various products and technology options. What will work best for your organization will depend on your set-up and the resources available to you.

Some firms may have already made substantial investments in a network infrastructure and have a dedicated IT department. They may prefer a local install for certain types of technology. Other organizations may favor a cloud-computing model, while others opt for managed-hosting services. There are pros and cons of each and many consultants (including this one) recommend a hybrid approach at this time. In fact, the products you choose may determine the approach you take.

When you were devising your plan, you took inventory of all the paperless technologies you and your team already use. Through that exercise you may have also identified the gaps -- or needs -- in your technology strategy. Some of the things you think you may need are in fact things that are good to have but are not in fact essential to start working digitally. If your time and/or your resources are limited, then you might consider starting with the basics and building from there:

- **Dual Monitors:** Two monitors should be the standard on all your workstations today. A second monitor is inexpensive and easy to add, and can instantly make your office more productive. Many firms now have triple monitors at many workstations.

- **Scanners:** Small portable, individual workstation scanners like the Fujitsu ScanSnap line can get the job done most of the time, but you also need at least one production scanner for the office.

- **Workflow Software:** If you're truly focused on working digitally, you have to have a paperless workflow system to automate the movement of work through your office, according to your new paperless processes, and Outlook isn't it!

- **Document Management:** Of course you need a place to store all of those newly scanned documents and certainly it would be helpful if that system had a naming convention, a file structure, keyword search capabilities, version control, and rights management. If you're using a networked Windows filing tree on a Vista machine with Office 2007, you may find that you have what you need to start.

- **Secure File Transfer/Portal:** At minimum, you need a method for securely sharing information and documents with clients, employees off your network, and other third parties with whom you may work. It's not just good client service; in a handful of states, it's now the law.

Now, let's talk about hardware. LCD monitors are a commodity today. Your options are endless and can vary widely in utility and price, based on video quality, resolution, dot pitch, aspect ratio, response time, and of course size. The new standard size for monitors is a 19-inch LCD monitor, and you can find them in countless retail stores. In fact, many websites let you do side-by-side comparisons.

Similarly, there are a number of scanner options. For this however, you really need to assess both your routine daily needs and anticipate your greatest scanning needs. Small desktop scanners on each workstation can save everyone in your office time – much like the second monitor. However, a high-speed production scanner will help you maximize throughput during your busiest periods, saving significant time on big jobs.

Ask your peers what they're using. They probably won't know what kind of monitor they use, but they're probably sure to recommend a good scanner or tell you a brand to avoid, if they've had a bad experience. Don't spend a lot of time scanning and storing historical data if you're pressed for time – that's a task for another day, and if you have a rigid retention policy you may not have to store some of it at all.

Now, onto the software. Remember when I mentioned that we couldn't figure out how to adapt our processes to scan on the front end and I mentioned that one firm solved that problem for all of us? Well, a mid-size firm up in the Boston area developed this tool several years ago to help them control work processes in a digital environment, and from this initiative was born a new category of paperless technology – workflow software – and the company that delivered it, XCM Solutions.

Since that time, hundreds of firms like ours have used workflow software to solve the problem of how to scan upfront to work digitally – not just store digital files on the back-end. If you're scanning and storing, but not preparing, reviewing, posting and answering questions and review points, and so forth digitally then you're not maximizing the value of your technology investments. The real productivity improvements come from creating a truly paperless workflow – from the time information from the client comes in through delivery of the completed project back to the client.

Workflow has become a very popular concept, and even a little confusing where now all manner of products address *workflow* challenges. Let me clarify what I'm referring to here. There is certainly value in products that automate specific processes like scan-and-populate tax document automation technology. In fact, if your resources permit, such products can add even greater productivity improvements to your digital operations.

Tax document automation technology works in conjunction with your workflow software, and allows you to eliminate manual data entry by automatically extracting data from scanned client source documents and populating that data into your tax preparation software. The software also produces an organized, bookmarked PDF file that you can store for later reviewing the accuracy of the imported data. Copanion's GruntWorx Populate provides good accuracy and has helped my firm streamline our tax workflow by cutting out some of the time-consuming "grunt work." Though not an essential element, it's definitely worth looking into when defining your paperless tax process.

What I'm referring to as a foundational element of a paperless practice is workflow management software – a category of software solutions that allow you to manage the flow of work through your office in a digital environment. You might think of it as automated process control.

Often, when I talk to firms that say they already have a paperless process in place, what they really mean is that over time they've devised an intricate system of procedures, whereby:

- One person updates this Excel spreadsheet;
- Another logs a job into that tracking system;
- An admin sends out emails twice a day to assign work and solicit updates;
- And the partner dedicates two hours each day – once in the morning and once in the afternoon – to check with staff members on their workload and address questions.

Finally, I always ask what happens when a client calls about the status of his/her return. That usually causes some pause…and sometimes even a slight wince.

The "paperless" audit processes are generally not much different, and are maybe comprised of a few more Excel spreadsheets. The questions to the audit partners elicit a similar response. How do you know the status of all your jobs? Who's updating the spreadsheet when you have it? Everyone relying on Excel spreadsheets for any type of tracking or reporting knows that at some point read-only access forces the creation of a second copy, and then of course the intricate system is broken.

Only a handful of workflow management software products on the market are designed for the accounting profession. When you evaluate the product that best meet your needs, you need to consider how you plan to set up your processes:

- Do you take a document-centric or task-centric approach?
- Do you want to custom design the system around your processes or something that essentially works out of the box?
- What integration options are available?
- Which processes will you set up in the system? (That last one is a trick question — of course, the answer is all of them, if you're moving to a digital practice.)

Document-management software is not a new category of products. In fact, a wide variety of document-management systems are on the market for accounting professionals — the most basic of which is simply using Windows Explorer.

Using a networked filing tree does not quite require the intricate system of procedures I just described that some firms use to work around buying a true workflow system, but it does require more planning and set-up to use it properly. A full document-management system has automated much of the "management" function associated with security, user rights, document retention, filing and naming conventions, version control, and so forth.

Budget and functionality are the biggest considerations when evaluating document management needs. I recommend using Windows Explorer, while re-engineering your processes for a digital environment, if you're not sure what you need. Once your processes are in place, you'll be able to better assess whether or not you need a system with more robust capabilities — and in which areas.

Lastly, secure file transfer or portal technology is quickly becoming a requirement in order to continue to enjoy the convenience of sharing information digitally with clients. A few states, most notably Massachusetts, have enacted laws which require all portable personal data about any Massachusetts resident to be encrypted. Like other software products, portals come in all shapes and sizes from simple, secure file transfer products to custom-branded Web sites that extend elements of a DMS to all users.

When you evaluate portal products, you should consider not just your needs, but also those of your clients. If you don't think your clients are ready to collaborate with you through a secure, online extranet, then you might find that a secure file transfer service works just fine for your immediate needs. You also need to consider document storage costs and whether permanently safeguarding their financial documents is a value-added service you'd like to offer.

Most solutions are priced according to the number of users and file storage size limits. For simple file transfer, placing documents in the portal for 30 or 60 days may be sufficient. If you plan to house them longer, you may consider charging clients for that convenience. Several solution vendors offer portal products that integrate with their document management, Web site builder, and workflow solutions.

When making technology decisions, you need to take inventory of your existing investments, identify your needs, take into consideration your resources — both time and capital, and your culture. Is an incremental approach going to be better received, or will your staff respond more positively to dramatic improvements? Do the technologies you've chosen require a big learning curve? Do they significantly change the way you work today or do they map to what your organization is used to?

Optimizing Your Processes for Paperless Practices

Optimizing your processes is one area in which outside advice can be invaluable. Sure, there will be nuances that are specific to your firm, but, by and large, a tax return is a tax return and a financial report is a financial report. You may have more steps in your process because your team is larger, or maybe you need a few more sign-offs on a particular type of engagement for your internal quality control. But, advice from someone who's done it or helped others do it, in the case of vendors and consultants, can get you 80 percent there and save you a lot of time and effort.

The challenge in adapting your processes to work digitally is that you've been working the same way for so long, it's difficult to distinguish which steps are necessary parts of the work process and which steps were simply added over time to accommodate a paper workflow. So, the first step? Map your existing processes – preferably with a visual flow chart, and review them with members of your team involved in that process.
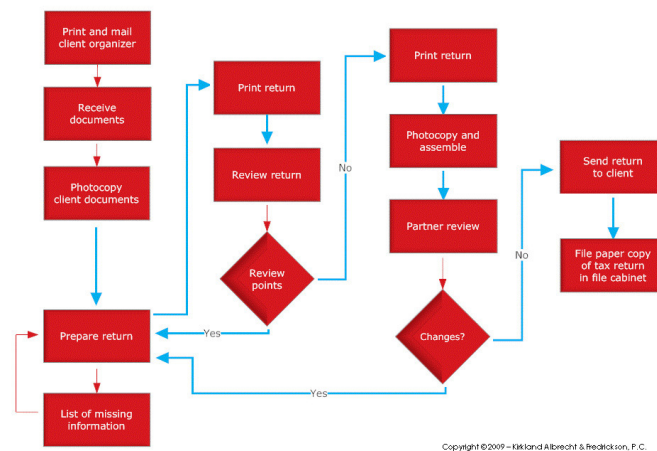
When mapping workflows at one firm, we noted that one partner had a second, separate review in his 1040 process that appeared to be a dead-end. When asked about it, he explained that he did receive a copy of the prepared return before it was ready for final review, but wasn't really sure why that was – he had assumed it was simply the way the firm worked, since he was relatively new. Upon further investigation, we discovered that his assistant was requesting the return early because the now retired partner she had worked for liked it that way, and she assumed the new partner would find it helpful as well.

Figure 2 – Typical paper-based 1040 work process.

The result? The extra step – the dead-end – was crossed off the flow chart and it was easier to standardize the 1040 process across the partner group, which is what you ultimately want in order to create an efficient digital operation. The objectives of this exercise are three-fold:

1 To identify what you do and discuss why you do it;

2 To adapt your processes for a paperless workflow;

3 And, to standardize your optimized processes across the firm.

This part of your paperless plan has a continuous measure-and-modify cycle to it. There are always better practices you can adopt to help your organization run more efficiently and productively. Granted, after the initial exercise of mapping all of your processes and optimizing them for a digital environment, the modifications are smaller – tweaking and refining vs. turning them upside-down.
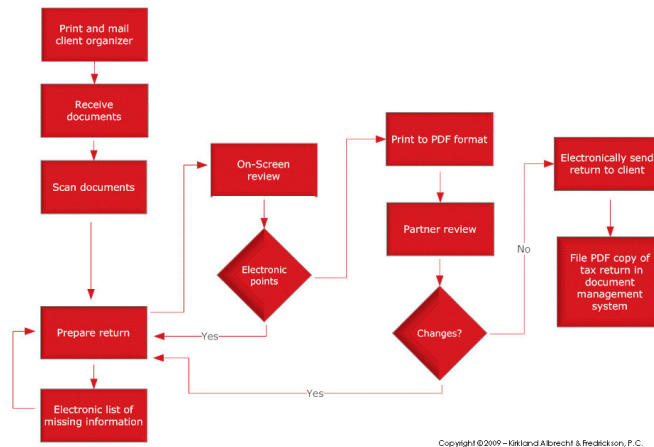
Figure 3 – Technology-optimized 1040 work process.

Once you've mapped and adapted your processes, you might consider doing your own time trials to see where further efficiencies can be squeezed out of the process. For instance, placing portable scanners at every workstation may carry a sizable upfront cost, but the immediate productivity improvements to be gained by giving each person access to a tool used several times a day yields a fast return on that investment.

Where you start is your choice, many firms begin with tax since those tasks appear to be the easiest ones to map and standardize. It's important not to stop there, though. Every process in your firm – from new client acceptance, to how you bill for your services carries with it a series of steps that can be optimized for efficiency. Not all processes deserve equal attention, however. Begin with those processes that are performed most frequently by the largest number of staff members and work your way down to the internal procedures that are performed once a year – like sending out your client holiday cards.

Process refinement is a continuous cycle and friends, peers, consultants, and a number of resources exist to help guide you. Learn from others' successes and their mistakes because at some point, you're likely to have the same questions that they addressed not too long ago themselves.

Communication is Key to Cultural Change

Process change can be challenging, particularly when you've done things a certain way for a long time. Planning and communication are critical to successfully creating a technology-progressive culture. Having a top down commitment to your project is essential, as is empowering your internal champions. The right people in the right roles will make 90 percent of the difference between success and failure. How smoothly the change goes, however, also requires buy-in at all levels.

Even one person set in his or her ways can pose a major challenge and throw off the whole process. Communication early and often with regard to goals, roles and expectations will help to pave the way for the culture shift and mitigate the potential for outliers. However, strong leadership at the highest level must make it clear that this is the direction the organization is moving and there will be no exceptions to the new processes.

You may find that some departments are easier to adapt than others, however. The type of work performed may be a factor, or the personalities or team dynamic could be others. You should acknowledge and accept that some teams may require more time and that's fine. Adjust your timeline accordingly. Have a firm, but realistic deadline documented for when you expect that everyone will be working digitally in the systems you've put in place and clearly outline the repercussions for individuals or teams that fail to do so.

At two firms I've worked with, the repercussion for not moving work properly in the XCM workflow system was simply that the work would not get done. In one instance, an audit partner made it clear to his department that no financial reports would be reviewed if the staff member did not move the task to him in the software, whether or not it was placed on his desk or appeared in his inbox. In another, it was a junior accountant who told the managing partner that she couldn't do the work until it was assigned to her in XCM.

Commitment to the process is commitment in every instance – not just when it's most convenient. That being said, another important facet of communication is making sure that everyone understands the changes being made – not just the what, but the why. Explain how and why certain processes are changing, and map those changes back to the team's individual goals if appropriate (remember, WIIFM).

Keep in mind that in some cases an individual may actually be required to do more than he or she previously did in the new process. Help them understand how their expanded role will help the firm as a whole and how that translates into a tangible benefit for them. For example, more time may be required upfront for the administrative staff to set up your processes in your workflow software. But, as a result of the paperless workflow, you may be able to limit weekend work during busy season to two Saturdays. Help them see that.

Training is essential. Train everyone on both the new processes, as well as the technology tools you've given them to work more productively. If they don't understand the new process or can't find documents on the network, tasks may take longer than before – at least initially – and there will be more resistance to the changes you're making.

How you train all levels of your organization on new procedures is really up to the internal champion executing on your plan. He or she may choose to involve strong leaders in each department if your organization is large and/or spread out. Time for training should be reflected in your project plan.

Some firms schedule regular trainings before and after tax season, for instance – to make sure everyone is up to speed on changes in the process or the technology just before the season begins, and do a post mortem after the season finishes when areas for improvement are still fresh. Trainings can have a formal or informal feel to them. One firm caters a breakfast once per quarter to get staff in early for training, since they can't seem to synch up schedules during the regular work week. By turning it into a regular event, no one complains about arriving early and many now look forward to it.

Don't take for granted that everyone knows how to use the tools you give them. Create a culture where people feel comfortable asking questions. People may naturally revert back to the old way they did things if it seems easier than figuring out how to do it the new way. Make it easy for them – provide training, let them practice, and encourage questions.

One firm put a portable scanner on each person's desk and made sure that everyone knew how to use it properly. They trained their new procedures and communicated their top-down commitment to working digitally. After a month into the new process, they noticed that a few people were still printing out Excel spreadsheets – only to then scan them and file them electronically. It hadn't occurred to them that members of their staff did not know how to use the Print to PDF option or that it even existed. Regular check-ins by the internal champion helped uncover other such questions until the team was completely comfortable with the new processes.

Explore and exploit all training options offered by your hardware and software vendors, and third parties who may host dedicated seminars or web trainings on using tools like Adobe more effectively. Taking advantage of available training can help your staff work much more effectively and efficiently. Productivity improvements gained by maximizing your investments in these solutions will far outweigh the cost of the training in most cases – particularly those solutions and tools that are used daily by everyone.

Exploit All Resources

Don't reinvent the wheel. You are not the first firm to go paperless and surely will not be the last. Share your experiences and learn from others' successes and mistakes. Participate in free web trainings offered by your vendors. If you're not sure whether the session is worthwhile for everyone, pre-screen them and request the recording for other members of your firm for whom the session is worthwhile.

Talk to your peers within the networks and state societies your firm belongs to. Take advantage of user groups and discussion forums online. Hire a consultant – someone knowledgeable about the tools you use and your operations can be worth its weight in gold to help you optimize your processes for a digital environment.

Go to practice management and technology seminars and conferences offered by your state society, the AICPA, AAA, and a host of other professional organizations. At those events, seek out the counsel of the experts they've assembled for their program during networking functions or other downtime. You will find that most are happy to give you lots of free advice.

Here are some of my favorite sites to learn more about learning opportunities, products, and best practices. This list is by no means comprehensive, but it's at least a good place to start.

www.cpa2biz.com

www.k2e.com

www.totallypaperless.com

www.cpafirmtech.com

www.webcpa.com

www.cpatechnologyadvisor.com

www.itpna.com

www.progressiveaccountant.com

www.kafgroup.com/workflowintro.html