Let's Not Do That Again!

5 Steps to Take **NOW** to Streamline Your Next Busy Season

WOODARD™

Learning Objectives

- 5 essential steps you need to make in your practice now – and continuing nurturing over the coming months – to make big changes going into your next yearend and tax time

- BONUS: 5 key technologies that are easy to adopt and will streamline year end work and tax preparation work

- BONUS: 4 strategies to motivate clients to respect your process and your deadlines

Segment 1

5 essential steps you need to make in your practice now – and continuing nurturing over the coming months – to make big changes going into your next yearend and tax time

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Step 1: Liberate 100% of the Data in Your Practice

The Five "Data Prisons"

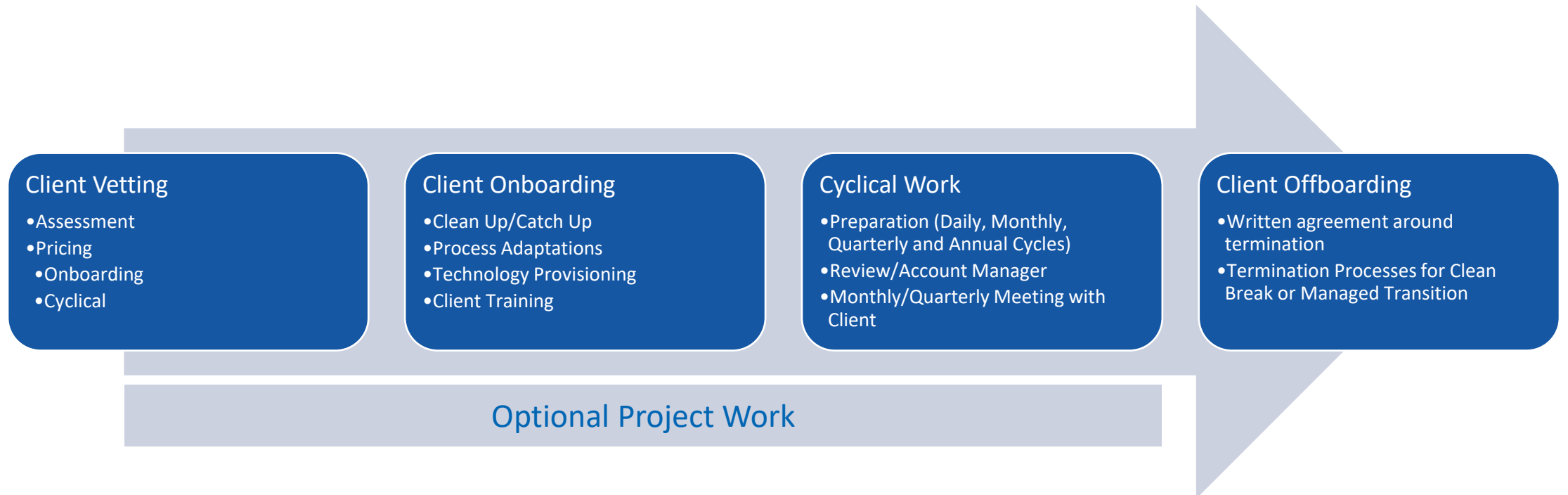|	Paper	Local Drives	Email Exchanges	Voiced Information/Exchanges	People (i.e., Brains)
Better	Practice Management Solutions	MS 365/G Suite	CRM Solution that Scrapes Email	CRM with Call Log Options	Share Notes (e.g., OneNote or Evernote)
Best	MS 365/G Suite	Box/DropBox, etc.	Bypass Email w/Client Collaboration Apps (e.g., Liscio)	Call Analysis Solutions like Avoma or Otter	Democratize Information through Process → Intellectual Capital

Step 2: Standardize and Democratize Processes

- You define the product, not the client.

- You define the process, not the client.

- Each person in the firm adopts the process start to finish without help from management/ ownership.

- You define the systems (e.g., software), not the client.

- You define the services you will deliver through your systems, not the client (or the client's needs).

- You democratize the process among your team.

Standardization requires both documentation and adoption!

Step 2: Standardize and Democratize Processes

Client Vetting
- Assessment
- Pricing
- Onboarding
- Cyclical

Client Onboarding
- Clean Up/Catch Up
- Process Adaptations
- Technology Provisioning
- Client Training

Cyclical Work
- Preparation (Daily, Monthly, Quarterly and Annual Cycles)
- Review/Account Manager
- Monthly/Quarterly Meeting with Client

Client Offboarding
- Written agreement around termination
- Termination Processes for Clean Break or Managed Transition

Optional Project Work

Step 3: Engage 100% of Corporate Clients Year Round

- Quarterly Tax Analysis/Planning

- Financial Measurements/Analysis
  - Monthly or Quarterly Meetings with Clients about Key Metrics/Measurements
  - Cash Flow Projections
  - A/R Monitoring and Bad Debt Expense Mitigation

- Spend Management
  - Budget Curation and Enforcement
  - Spending Policy Enforcement (POs, travel policies, etc.)

- Accounting System Checks
  - 1099 Vendors and W-9 Compliance
  - Bank Reconciliations
  - COA Checks/Modifications
  - Changes to Prior/Closed Periods
  - High Level Coding Checks, etc.

- Bookkeeping Services (aka, Client Accounting Services)

Tip: Consider offering these engagements under a subscription model that also includes support cases by you and your team. The goal is to price the relationship with the client while simultaneously streamlining higher seasonal workloads

Step 4: Get Creative with Staffing

Part Time Pros and Cons

PROS

Higher Utilization (e.g., limited or no PTO)	Part timers may not be as committed to your practice or have a different set of priorities
Reduced Overhead – Benefits	Need to employ a larger number of employees – increased administration
If the right person (e.g., wants flexibility) lower employee turnover	Interrupted workflow due to partial days/weeks of work
Larger pool of potential workers	Higher risk of cross recruitment
Potential pathway to full time	You are not their livelihood → Lower prioritization by employee
Diversification of worker pool within the company	

CONS

Woodard's Position: The cons outweigh the pros with part time employees.

Step 4: Get Creative with Staffing

Contractor Pros and Cons

PROS

They provide their own tech and equipment

Bring varied expertise on software to the table

No benefits or PR Taxes

More Self Directed → Less management of the worker

100% Utilization – Assuming no client write downs when billing hourly!

Security issues with increased vulnerability

Higher pay rate

Higher worker transition

Harder to vet and riskier to engage

Lack of quality controls

Legal investment in contracts and contract enforcement

CONS

Woodard's Position: The ability to use contractors for client productions (tax, accounting and audit) is not realistic.

Step 4: Get Creative with Staffing

Outsourcing Pros and Cons

PROS

No A to B connection between the worker and the client	Less experienced workforce
Much more affordable	Workers often work more slowly
100% utilization (assuming no client write downs for hourly billing)	Less control over the workforce
No HR recruitment and management	Security risks with some companies
No overhead costs	Inconsistency of work product/deliverables
No employee turnover	Geographical boundary data issues
Can provide multi-lingual support	Increased risk of infrastructure issues (e.g., internet connectivity)
	Time Differential

CONS

Woodard's Position: Outsourcing is the most practical way to get creative with staffing needs, but only if you work with a trustworthy company.

Step 4: Get Creative with Staffing

Outsourcing Pros and Cons

With a Trustworthy, Quality-Driven Company

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CONS

Woodard's Recommends

FINSMART
Trusted FinOps Partner

Step 5: Maximize Automation of Entry and Process

- Reduction in Human Workers → Increased Profit Margins
- Decreased Errors and Omissions → Increased Profit Margins
- Increases in Efficiencies → Increased Profit Margins
- Practice Modernization → Increased Practice Valuation
- Competitive Advantage/Practice Distinction
  - → Stronger Growth Potential
  - → Pricing Leverage
- Enhanced Client Experience
  - → Streamlining (and Mobilization) of Client Interactions
  - → Enhanced security and fraud prevention
  - → Real Time Financial Information → Financial Insights/Advisory

Bonus Segment

5 key technologies that are easy to adopt and will streamline year end work and tax preparation work

5 Key Technologies that Streamline Your Year End

Track 1099 by Avalara

- E-Filing (IRS and State)
- TIN Matching
- GL Integration (QBO, Xero and Netsuite)
- BILL Integration
- W-9 Retrieval

BLACKLINE

- Account Reconciliations
- Transaction Matching
- Automated Journal Entries (e.g., for tax and accrual adjustments)
- Variance Analyses
- Account Analysis

Liscio

- Client Collaboration
  - Messaging
  - Documents
  - Tasks
- Invoicing
- E-Signature
- Integrated
  - MS365
  - G-Suite
  - Karbon
  - SmartVault
 - Calendly
  - QBO
  - Zoom

Xenett

- Consolidate Accounting Activities
- Streamline Workflows
- Client Collaboration and Document Exchange
- Streamlined Onboarding
- Track Team Performance
- Integrations with QBO and Xero

canopy

- Fully Featured Practice Management Solution
- Mobile-First Client Collaboration and Document Exchange
- E-Signature
- Invoicing/Billing
- Automated Document Routing into Workflows
- Optional Tax Resolution Tools

Bonus Segment

4 strategies to motivate clients to respect your process and your deadlines
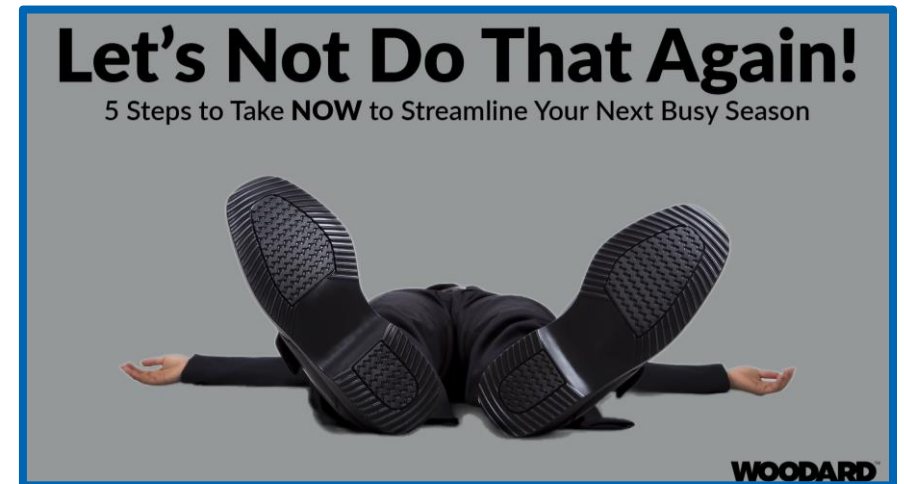
#1: Add Deadlines to Your Engagement Letters

- Use pervasive date references For example…
  - 2 months prior to your preferred tax filing deadline
  - 3 weeks prior to 1099 filing deadlines
  - 4 days after month end, etc.

- Make your deliverables dependent on these deadlines
  - → Extend Returns
  - → File and Amend
  - → Auto-delay of monthly financials, etc.*

- Create a delay of engagement "option" that increases your price**
  - The client exercises the option passively (i.e., through their inaction)
  - The pricing of the option is percentage based (or flat fee plus percentage)
  - The option escalates based on how much the extend to which the client delays the engagement (e.g., one week vs. two weeks, etc.)
  - The option applies even if the delay by the client results in a change of deliverables per the bullet above, but perhaps at a lower rate

#2 Create Proactive "Touches"

- For tax preparation services:
  - Begin about 6 weeks prior to the deadline
  - Escalate the urgency across the four weeks
  - Provide updates throughout the tax preparation process
- For monthly bookkeeping, provide updates throughout your bookkeeping cycle
- For 1099's, begin about 3 weeks prior to the deadline

Note: If you provide year-round engagements, you should still incorporate proactive "touches" to prepare for the engagements detailed on Tip 2 of this presentation
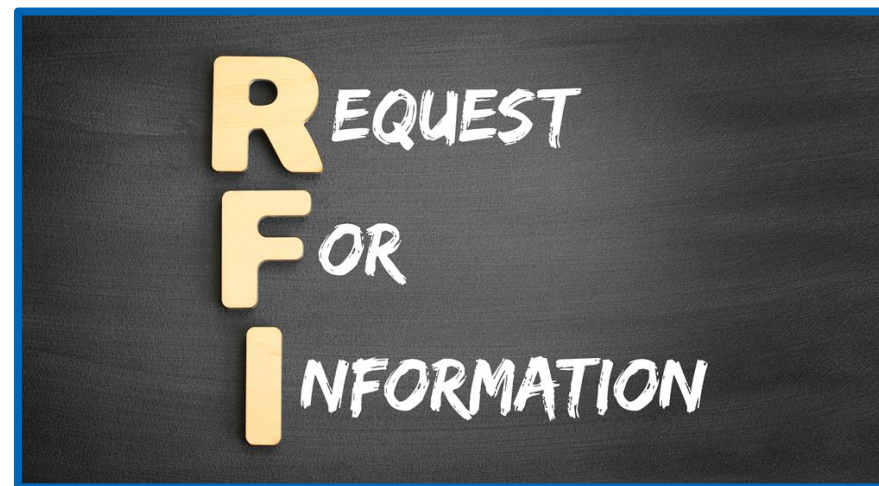
#3: Modernize the Client Experience

- Make your portal highly accessible
    - Email signatures
    - Top level website navigation
    - Links in "touches" for information requests
    - Include an email address to route documents from inboxes into your portal

- Include an online tax organizer in your client portal

- Include a mobile app option for your client portal...and be uber-intentional about client adoption of the app
    - Incorporate chat access
    - Provide document uploads with photo and file upload options...with ongoing access of documents by clients
    - Include e-signature options
    - Notifications through the app for document request and requests for information

#4: Be Analytical and Interpretive

- Clients don't value the tax preparation and accounting work because they don't value the outcome of those services → compliance and financial information.

- Clients only give mindshare to you and your services when reacting to third parties (banks, government jurisdictions, investors, etc.)

- So…connect tax preparation and accounting to the wealth generation and business strategy through tax analysis and financial analysis (respectively)