

The Liberated Practice

Accountancy in
the Age of Digital
Transformation

WOODARDTM

qb intuit
quickbooks



What is Digital Transformation?

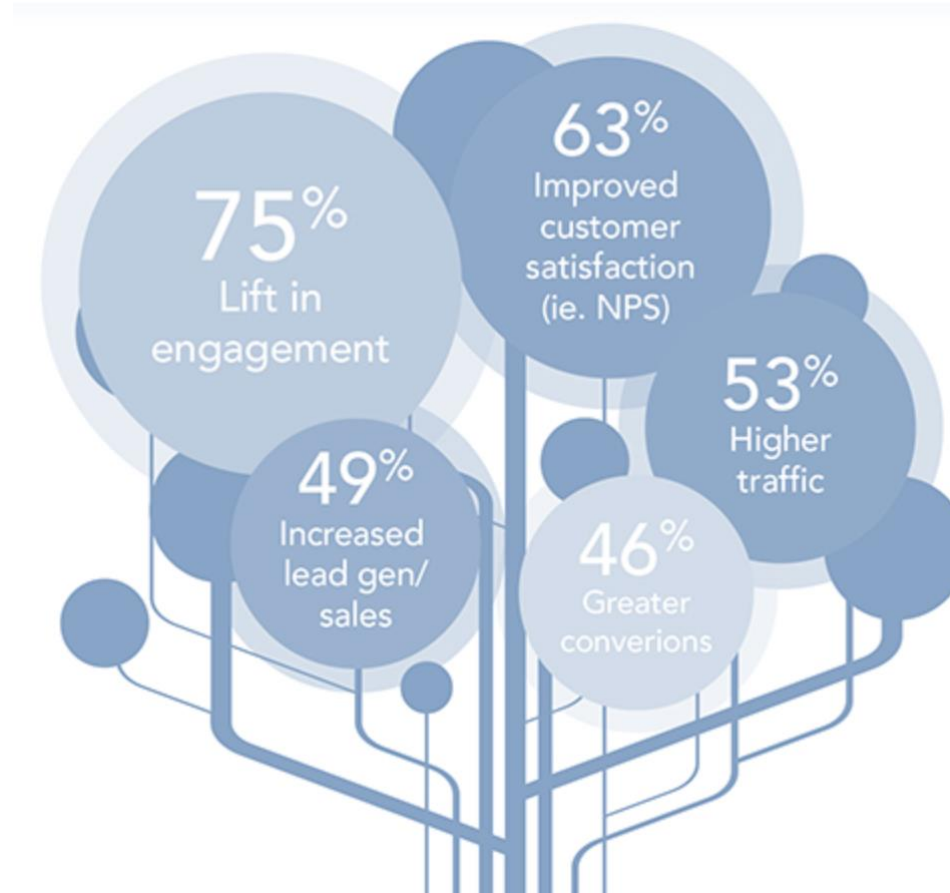


Digital transformation is the process of using digital technologies to create new — or modify existing — business processes, culture, and customer experiences to meet changing business and market requirements.”

Salesforce



Benefits of Digital Transformation



Learning Objectives

- Assessment of Your Level of Cloud Adoption and Identify Areas of Improvement: A Catalog of Data Prisons
- The Holistic Cloud Adoption Strategy through Data Liberation
- From Data Liberation to Data Automation: The Wealth Generating Outcome of Digital Transformation



About the Presenter

- 25+ Years of Experiencing Running a Consulting and Bookkeeping Practice
- Host, Scaling New Heights® Conference
- Top 100 Most Influential People in Accounting Award Winner – as recognized by *Accounting Today*
- Published author in *The Journal of Accountancy*, *CPA Practice Advisor*, *AccountingWEB*, *McGraw Hill*, *The Firm of the Future*, *Insightful Accountant* and *The Woodard Report*
- Career trainer to over 150,000 accounting professionals
- 20+ year contracted trainer and author for Intuit



Joe Woodard, CEO
Woodard™

Handouts

The slides from this presentation will be available *after* the live presentation is over.

Download handouts at
Woodard.com/Webinars

We will post the handouts no later than
5:00 PM Eastern today



CPE

- This event qualifies for one hour of CPE
- The field of study is Business Management & Organization
- You will receive your CPE certificate within one-week of the live event
- Your certificate will contain the first and last name you used to register for today's webinar
- We will deliver the certificate to the email address you used to register for today's webinar
- You must respond to all three polling questions to qualify for CPE



Note: You Can Evaluate this Webinar Using an Online Evaluation Form. You Can Access this Form When You Leave the Webinar

Section 1

Assessment of Your Level of Cloud Adoption and Identify Areas of Improvement

A Catalog of Data Prison



Remembering the “Dark Ages”

Client Documents and Workpapers

- Filing Cabinets with Paper Folders for Each Client
 - Tagged for Each Year’s Workpapers
 - Print Outs of Tax Returns and Financial Reports
 - Copies of Receipts and Check Stubs
- Mapped Server Drives with Client Folders
 - One Folder for Each Year’s Workpapers
 - PDFs of the Tax Returns and Financial Reports
 - Limited Scanned Materials



Nothing Indexed/Searchable. Digital and Physical File Retrieval Was a Laborious Process.

Remembering the “Dark Ages”

Client Correspondence and Information Gathering

- Mailed engagement letters with return envelopes
- Mailed income tax preparation proformas
- Mailed forms of formal communications
- Emails for informal communications
- Phone Calls
- Mailed Flash Drives for Document Exchange
(Including QuickBooks Backup Files)



Remembering the “Dark Ages”

Client Account Management

- No democratized, meaningful workflow solution
- No standardized process
- No standardized collection of client information
- No client-specific management/procedure documentation

High Cost of Employee Turnover as this
Essential Information Often Walked Out
the Door Along with the Former
Employee!



Remembering the “Dark Ages”

The Common Denominator

Data Imprisonment



The 5 Data Prisons



Paper



Local Drives



Email Exchanges



Voiced
Information/Exchanges



People (i.e., Brains)



The Data Prison Assessment



Do You Have Data Still in Any
“Dark Ages” Container?



Have You Moved into the
Renaissance of Data?

The Data Prison Assessment



Do You Have Data Still in Any
“Dark Ages” Container?



Is Your Data Liberated at 21st
Century Standards?

Section 2

The Holistic Cloud Adoption Strategy through Data Liberation

Strategies and Solutions that Democratize Information



Liberating Data from Paper – Parsing Solutions

With minimal (or no) human involvement parsing solutions:

- **Step 1:** Recognize the characters on an image (Optical Character Recognition – OCR)
- **Step 2:** Assess strings of symbols or numbers, leveraging machine learning to:
 - Identify types of information (e.g., vendor name, payment totals, sub-totals, addresses, phone numbers, dates, etc.)
 - Reference vast online databases to analyze and interpret information
- **Step 3:** Determine the appropriate account coding, job assignments and departmental assignments, leveraging:
 - Past coding activity
 - User-level preferences and settings
 - Admin/user-defined rules



Liberating Data from Paper – Parsing Solutions

Examples of Solutions that Leverage Parsing Technologies

- Bookkeeping Automation (e.g., Dext, Bookkeep, A2X, etc.)
- Expense Applications (Expensify, Divvy, Tallie, etc.)
- General Ledger Solutions like QBO with Receipt Capture
- Banking Institutions (e.g., for Mobile Check Deposits)
- AR and AP Automation Solutions (e.g., Bill.com, AvidXchange, Tipalti, etc.)
- File Management/Storage Solutions (e.g., Liscio, Canopy, One Drive, SharePoint, Google Drive, etc.)



Liberating Data from Location Drives

- Microsoft SharePoint with Business One Drive or G Suite
 - If Using Microsoft, Couple with Microsoft Teams
 - If Using G Suite, Couple with Slack
- Dedicated File Management Solutions
 - Box
 - DropBox, etc.
- Client Interfacing File Collaboration
 - Liscio
 - ClientHub
 - ShareFile, etc.
- Displace Your Local Server with a File Management System and Use Private Cloud Options for Desktop Applications



Liberating Data from Voiced Interactions

- Good: Log Calls into a CRM
- Better: Use VOIP with Auto-Call Transcription
- Best: Use Softphones integrated with both Transcription Services and CRM for automatic logging of calls and, if you prefer, recordings



Tip: Solutions like Chorus.ai will analyze transcribed calls for leading indicators, commonly requested services, and quality assurance triggers.

Liberating Data from People (i.e., Brains)

- Good: Shared One Note or Evernote
- Better: CRM Solution with Comprehensive Client Information Capture
- Best: Workflow Solution that Contains
 - Standardized Processes Templates that are the Baseline for
 - All Client Productions Including Technology You Leverage for Production
 - Firm Operations
 - Client Specific Deployment of Templates with Client Specific Variances



Tip: Solutions like Bloomfire are designed to capture and capitalize the knowledge of people within the organization!

Section 3

From Data Liberation to Data Automation

The Wealth Generating Outcome of Digital Transformation



The Benefits of Automation

- 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



Zero or Near Zero-Entry

eCommerce and
Merchant

Payables (Including
Line-Item Detail)

Paper and
Electronic
Transaction
Records

Purchase Orders

Invoices

Estimates

Sales Orders

Job Costing
(Including Payroll)

Sales Tax
Calculation, Filing
and Issues
Handling

Payroll Calculation,
Filing and Issues
Handling

Employee
Onboarding
(Including Payroll
Forms)

1099's

Corporate
Renewals

Foreign State
Registration

Collections

401k Management

Accrual Basis
Entries

Partial Entry

Line-Item Detail on
Parsed Documents
(Non-Payables)

Credit Cards
Charges and
Credits*

Checking
Disbursements and
Receipts*

Bank
Reconciliation*

Highly Manual

Mailed Checks
from Customers

Document
Fetching from
most banks and
vendors

Local Taxes and
Licenses**

Annual Insurance
Enrollment**

*Bank feeds and matching streamline but do not fully automate the entry of these types of transactions

**Not bookkeeping, but often managed by professional bookkeepers

Section 4

What Do We Do About QuickBooks Desktop!

Addressing a Pervasive and Sometimes Beloved “Data Prison”



<https://quickbooks.intuit.com/accountants/resources/move-to-online/#resources>

Advantages of QBD

Comprehensive and Local Backup/Restore
Faster Data Entry for Highly Experienced QBD Bookkeepers
More Mature and Robust Feature Set, Especially with Inventory Management and Job Costing
Stronger Consulting Opportunity for Larger Clients
Stronger Reporting (Especially with QBES)
More Granular Permissions (Especially with QBES)
Reduced Price Point for Clients with Multiple Entities

Decreased Security*
Harder to collaborate with the client*
Increased Propensity for Data File Corruption
Fewer Integration and Automation Options
Not the Future of the Accounting Profession
Not Mobile Friendly/Accessible
Version Management Issues

Disadvantages of QBD

QBO's robust app ecosystem addresses each of these concerns

*Without expensive hosting options and/or IT costs

Proof Points – QBO and Your Clients

95% of QuickBooks Online customers say they work more collaboratively than they could with QuickBooks Desktop.

99% of accountants surveyed recommend QuickBooks Online over QuickBooks Desktop.

“With more and more people working from home, it allows everyone to look at real-time data instead of sending backup files back and forth.”

Proof Points – QBO and Your Clients

87% of QuickBooks Online customers say their business runs more efficiently than it did with QuickBooks Desktop.

“With more and more people working from home, it allows everyone to look at real-time data instead of sending backup files back and forth.”

87% of customers say bank feeds in QuickBooks Online help them reduce data entry and errors.

What Comes Next?

- Parts 2-8 of the Series will Take Place in Fall 2022 and Spring 2023 – Schedule Coming Soon
- Watch Your Emails for Updates on Dates and Times of Future Segments in the Series
- Bookmark the page www.woodard.com/liberated_practice_series
 - Handouts from Each Segments Presentation
 - Q&A from Question-and-Answer Segments
 - Polling Data (Anonymous and in Aggregate)
 - Links to Resources Mentioned in the Series
 - Schedule of Upcoming Segments in the Series with Links to Register (Coming Soon!)



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