

CPA Practice Advisor

Today's Technology for Tomorrow's Firm

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THE LEADERSHIP ADVISOR:

Better Advisory Through
Genuine Connection

THE STAFFING & HR ADVISOR:

9 Ways Accountancy
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On Being a Cook and an Accountant

When customizing your own practice and service offerings, it's imperative that you focus on services that are going to appeal to your clients.

MY NIECE HAS a 12-year-old daughter who enjoys cooking. I learned this week that my niece's daughter "looks with disdain" on those who use mixes in lieu of collecting and measuring actual ingredients. I get that. There is something deeply satisfying about making magic out of basic ingredients. Then you can add your own special touches, create dishes that are tasty and nourishing, and feed yourself, your family and your friends.

The same theory can apply to working with our clients. Sure, there are cookie-cutter businesses out there that will automate various accounting and tax processes, and that's fine. Even in cooking, I'm okay with not having to mill my flour, crystalize my sugar, harvest my salt, build my fire. Short-cuts allow us to concentrate on the more customizable parts of our process; we can add our personal touches that work best for us as well as the recipients of our services.



When customizing your own practice and service offerings, it's imperative that you focus on services that are going to appeal to your clients. In this month's magazine, we discuss various ways in which you can add financial planning to your existing services. Especially as tax accountants, a lot of what we do involves financial planning anyway. Taking the leap to make this an actual service line in your practice is not such a big step.

When you prioritize the needs of your clients and listen to their concerns, it's easy to determine the services that they need. The questions then become, are you capable of offering those services, should you partner with someone else who can work alongside you to provide the services, do you hire an

expert in certain areas?

Adding a new service line takes care and planning on your part as you determine how to make the service available and incorporate it into your practice, how to price it, how to market it. Don't be afraid to beta-test by providing the new service to a small group of clients as you work through the way in which the service will unfold and the way in which the clients benefit from the service. Just as you add your own special ingredients to a dish you're cooking, creating a specialized service requires sampling and improving over time.

And just as the cook who uses his own experience and expertise to make intelligent decisions about how to enhance a dish or add to an existing menu, we accountants have

the knowledge to expand our services based on our own education and experience. Restaurants add to their menus frequently in order to keep regular customers coming back and to attract new customers. We can do the same thing with our practices.

Without progress, without evolution, we stay in the same place, doing the same tasks, offering the same services to our clients that we offered years ago. If your clients need more than you are offering, and if you're concerned that they might venture elsewhere to find those services, it's time to assess what's on your menu and consider expanding to include new options that will satisfy your existing clients and will attract new ones as well. ■

— Gail Perry, CPA, Editor-in-Chief

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Better Advisory Through Genuine Connection

THE BIGGEST STEREOTYPE about accountants is that we're dry, boring numbers people. If you buy into the popular image, the perfect accountant would be an emotionless number cruncher, scarcely different from a high-powered computer. But nothing could be further from the truth. There is a human side to accounting, especially when it comes to delivering advisory services to your clients. If you want to improve as an advisor, your first step is to look at genuine human connection in addition to the numbers.

Now, I'm not saying that one is more important than the other. Data analytics, objectivity, a willingness to be frank about the numbers—these are all essential for quality advisory services. However, there is also a subjective component to offering guidance, one that is based on the relationships you've built with your clients, your understanding of their business, and what you know about them as people. This level of intimacy is not a barrier to supplying strong advice but rather an asset in tailoring your services to your individual clients. Here are a few ways to develop and capitalize on personal bonds in order to better serve your clients.

UNDERSTAND THEIR PURPOSE AND VALUES

Of course, every business wants to make money, but profit is far from the only driver for most SMBs. Your clients also base operational decisions on their purpose and values as a company. Understanding these

important motivators gives you a greater sense for what is intrinsic and integral to a business and what is superfluous. In other words, it lets your clients know that you *get* them.

Let's say you have a client looking to cut costs, as many businesses are right now. They've recently implemented a Diversity, Equity, and Inclusion (DEI) program, one that is relatively costly and hasn't yet made a direct contribution to their bottom line. However, creating a more equitable workplace is a huge part of their business and one they're not willing to compromise on. If you know how important DEI is to them, you're never going to ask them to scrap the program. By going through their books and finding other ways to decrease spending, increase income, and also begin discussions about how they expect the DEI program to contribute to the bottom line, you let your client know that you're on the same team, which is what great advisory is all about.

LEVERAGE YOUR OWN EXPERIENCE

Accounting firm owners and leaders have an obvious parallel to their clients in the form of their own professional lives. As a firm owner or somebody in a leadership position, odds are you've struggled with many of the same issues as the businesses you serve. Many business owners are not prepared to deal with firing someone or cancelling a planned initiative, but if you've been there before, you can coach them through the process.

Last year serves as a perfect example. As businesses scrambled to apply for PPP funding, many turned to their accountants for help. At the same time, many accounting firms were also filing for funding. Being able to translate such an experience from your business to your clients is invaluable. In cases like this one, you're not just providing theoretical advice, you're basing that advice on your own experience, which makes that advice all the more valuable.

GET REAL

When we talk about accountants being "trusted advisors," we mean serving as the type of confidant a business owner can lean on for decades. Over the course of such a long relationship, it's natural to learn about the people you serve—and to share a little bit about your life outside of work. It may not seem like a value proposition to know where your clients' children are applying for college, their favorite food, or the TV show they can't stop bingeing, but over time, these little pieces of information strengthen the connection between accounting firm and client.

When you have the chance to discuss personal matters with your clients, don't shy away from it. A business does not operate in a vacuum. The people who run it are full-fledged human beings with emotions, just as you are. Acknowledging this aspect of business rather than trying to minimize it is an essential facet of providing well-rounded advisory services.

So is accounting about numbers? Definitely, but that's far from all it's about. Advisory services are about a deep familiarity with all aspects of your clients' businesses, from the numbers to that which can't be defined by them. ■



AICPA Proposes New Quality Management Standards for Firms

By *Sibi Thomas, CPA, CFE, CGMA*

The American Institute of Certified Public Accountants has proposed three new standards on quality management for CPA firms at the firm and engagement levels. The proposed standards bring essential changes to the way firms oversee the quality of the attest practice. The three proposed standards are as follows:

- Proposed Statement on Quality Management Standards, A Firm's System of Quality Management (**SQMS No. 1**)
- Proposed Statement on Quality Management Standards, Engagement Quality Reviews (**SQMS No. 2**)
- Proposed Statement on Auditing Standards Quality Management for an Engagement Conducted in Accordance with Generally Accepted Auditing Standards (**QM SAS**)

According to the AICPA, the proposed standards update the existing

standards for advances in technology and replace the existing "one-size-fits-all" model with a more scalable approach to firms of all sizes. These proposed standards are the most significant changes since 2006 on quality management issued by AICPA. Audit quality is the number one concern and priority for most audit professionals, and these proposed standards are intended to improve audit quality.

The Auditing Standards Board (ASB) has been following the International Auditing and Assurance Standards Board's (IAASB) project on audit quality management by providing input throughout the process. As a result of this project, IAASB issued its quality management standards back in December 2020, similar to the AICPA's proposed standards. It is ASB's strategy to converge its proposed standards with those of the IAASB because the issues that led IAASB to revise its standards are equally important in the United States. The following article is summarized based on the explanatory memorandum published by the AICPA and used for educational use only.

A NEW APPROACH TO THE FIRM'S SYSTEM OF QUALITY MANAGEMENT – SQMS NO. 1

The system of quality management at a CPA firm is designed to achieve two primary objectives: a) The firm and its professionals fulfill their responsibilities under professional standards and applicable legal and regulatory requirements, and conduct engagements with such standards and requirements; b) Engagement reports issued by the firm are appropriate in the circumstances. An effective quality management system should

achieve these two objectives:

The proposed standards emphasize a risk-based approach with revised quality management components, enhanced monitoring process, and more robust leadership and governance requirements.

WHAT IS NEW UNDER THE PROPOSED STANDARDS

The new or revised components of quality management under the proposed standards include the following:

Risk Assessment Process

Firms are required to follow the process proposed under the new standards in setting up a risk-based approach to quality management. Risk assessment is a three-step process:

- Establish quality objectives for each of the components of quality management prescribed by ASB except monitoring and remediation
- Identify and assess risks to the achievement of the quality objectives
- Design and implement responses to address the quality risks

The risk assessment process is essential to ensure the eight components of quality management are established and working appropriately to achieve the overall quality management objectives. It is a continuous process and unique to each firm for improving and maintaining quality management within the firm.

Governance and Leadership: The proposed standards provide targeted enhancements to the existing standard on governance and leadership, precisely the "tone at the top" and the importance of quality in the firm's strategic decisions and actions. The firm is required to assign ultimate



responsibility and accountability for the system of quality to the firm's CEO, managing partner, or equivalent. In addition, the firm is required to assign the following to designated individuals: a) operational responsibility for the system of quality management; b) operational responsibility for the specific aspects of the system of quality management, including compliance with independence requirements and the monitoring and remediation process.

Resources: The current standard only addresses human resources; the proposed standard expands to all resources that the firm needs, such as:

- Technology
- Intellectual resources (example: firms' methodology, templates, tools, etc.)
- Human resources (including component auditors external to the firm)

The proposed standard focuses on what resources are needed, how they are used and maintained, and whether they are appropriate.

Information and Communication

This is a new component under the proposed standard to address the lack of guidance currently on this matter. The proposed standard underscores the importance of a continuous flow of information and communication by linking the exchange of information to the firm's culture to be driven by top leadership throughout the firm. The standard requires that the firm establish an information system to identify, capture, process, and maintain information.

Both internal and external communication is dealt with in the standard. From an internal perspective, it reinforces the need for robust two-way communication throughout the firm. From an external perspective, the standard reinforces a critical public interest

issue, which encourages firms to be transparent to external parties about their quality management systems in a relevant, innovative, and proactive manner. The standard requires firms to establish policies and procedures that address when communications with external parties are appropriate.

Monitoring and Remediation

The proposed standard shifts the focus from engagement level monitoring to monitoring the entire system of quality management. The standard requires firms to inspect completed engagements and for engagement partners to be inspected on a cyclical basis. The firm identifies its inspection criteria, including how often to select completed engagements, which completed engagements to select, which engagement partners to select, and how frequently to select based on its risk management criteria.

The proposed standard also includes requirements for evaluating findings and identifying deficiencies, and evaluating the severity and persuasiveness of the deficiencies. This includes a new requirement to investigate the root cause of the identified deficiencies.

ENGAGEMENT QUALITY REVIEWS - SQMS NO. 2

The proposed standard includes separate guidelines on policies and procedures addressing the appointment and eligibility of engagement quality reviews. The proposed standard also contains the engagement partner's responsibilities relating to the engagement quality review, focusing on how the engagement partner and the engagement team interact with the engagement quality reviewer. Having a separate standard in place emphasizes the importance of engagement quality review and provides a mechanism to differentiate the responsibilities of the firm and the engagement

quality reviewer more clearly. The engagement quality reviewer is acting on behalf of the firm, and the objective of the engagement quality reviewer is the firm's objective as a whole.

The proposed standard discusses the appointment and eligibility of engagement quality reviews, including the individuals within the firm who should appoint appropriate quality reviewers for engagements, the qualifications of the reviewer, sufficient time for an appropriate review, etc. The engagement partner is precluded from dating the engagement report before receiving notification from the engagement quality reviewer. The standard also provides guidance on the documentation and timing of the review.

QUALITY MANAGEMENT FOR AN ENGAGEMENT CONDUCTED IN ACCORDANCE WITH GENERALLY ACCEPTED AUDITING STANDARDS - QM SAS

The proposed standard addresses public interest considerations through proactive management of quality at the engagement level, emphasizes the importance of professional skepticism, enhanced audit documentation, and the need for more robust communications. QM SAS addresses how the engagement partner leverages the firms' systems and manages quality at the engagement level.

The proposed SAS clarifies that the engagement partner has the overall responsibility for managing and achieving quality. This makes the engagement partner responsible and accountable for compliance with the requirements and adherence to the quality standards set by the firm. One way the engagement partner fulfills the responsibilities is through involvement in the audit throughout the engagement, as it is fundamental to the engagement

leadership to achieve higher quality.

OTHER MATTERS – NETWORKS

The proposed standard focuses on reinforcing the firm's responsibility for its system of quality management even though it may be part of a network. Each firm has its own responsibility to design and implement quality management that is unique to the firm.

EFFECTIVE DATES:

- SQMS No 1 would be required to be designed and implemented by December 15, 2023
- SQMS No 2 would be effective for audits or reviews of financial statements for periods beginning on or after December 15, 2023
- QM SAS would be effective for engagements conducted in accordance with GAAS for periods beginning on or after December 15, 2023.

WHAT CAN FIRMS DO NOW?

- Become familiar with the proposed standards
- Develop an implementation plan
- Prepare a comment letter on the exposure draft and submit to AICPA before Aug. 31, 2021. <https://tinyurl.com/z2fv8rzs>
- Design and implement the system of quality management so that it's fully operational on December 15, 2023
- Perform engagement quality reviews in accordance with SQMS No. 2
- Plan to apply QM SAS for engagements starting in 2024
- Develop a process for an annual evaluation of the system of quality management ■

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CLIENT EXPERIENCE FOR TODAY – PERSONAL TAX ADVISORY

FINALLY, THREE OF the most unusual years in the profession are behind us. The Tax Cuts and Jobs Act (TCJA), the COVID-19 pandemic July 15th, 2020 deadline, and the PPP2 May 17th, 2021 deadline have left many firm partners and team members more stressed and tired than usual. Plus, our efforts for our clients were often reactionary to both the legislation and relief bills. As we have done in the past, we completed the work and did the best we could with what we knew.

As we breathe a collective sigh of relief, it will be nice to have our practices and our clients' companies returning to normal. While many people and businesses will be gone forever, there will be new businesses and new opportunities for accounting firms. However, we will be cleaning up many situations caused by our clients, interpretations of the relief bills, more new laws, and backlog clean-up from the tax service itself.

Other parts of this month's issue deal with personal financial planning. This topic has been an interesting area for me for over 20

years, particularly after the regulations permitted practitioners to enter the business of wealth management. While I've helped many firms grow practices in this area, several with over \$1B in assets under management, quite a few firms have helped clients protect their personal assets in well-run, properly focused fiduciary wealth management.

The technology tools available to assist in this area led me to prepare my first estate plan. When I ran my first personal financial planning models and estate plans in the Kettley Publishing and Back Room

Technician, now Advisys solutions with over 40,000 users, I was hooked. Further, using the earliest version of the eMoney Advisor with my wife helped us understand our personal money risk tolerances. The Rutgers Investment Risk Tolerance Quiz, the Profiles module, a part of the Naviplan InvestCloud from Advicent, or one of the risk profiling software options here still makes sense to me when used to help people plan based on their risk tolerance and not as a sales tool. You can find many more options by searching on "money risk tolerance software."



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However, with all the efforts to gather assets under management by all sorts of organizations, professional independence and a whole-of-client approach makes for a trusted advisor. And the best advisors always put the client first in their advisory practice. As the year progresses, you'll see other coverage on the 30+ advisory services you can offer, and we'll point you to more true advisory options instead of the "fake" advisory commonly promoted. We'll also learn more about "whole-of-client."

HOW DO WE CHOOSE TAX ADVISORY TOOLS?

First, you must decide on your tax advisory offerings. We suggest that



there are many useful tax advisory offerings from tax planning to estate planning to tax resolution to cryptocurrency and more. While this column intends not to guide you on building an advisory practice but rather just a few advisory offerings, make sure you take the time to learn how to create an advisory practice with resources like Upward Spiral North America, Oodles, or Advisory 101. We also have Advisory course content at K2 Enterprises on our online website.

Remember that advisory services are proactive and not reactive and involve more recurring client advice and less consultation. Tax planning and estate planning are proactive advisory services, and one could make the case it is hard to build a tax resolution advisory service.

We'll be covering many of these tax advisory tools in our Technology Lab Podcast, including several of the products named below. We will also discuss some of the tax planning and cryptocurrency tools in The Technology Lab Podcast.

Notice handling can be time-consuming for your practice, and many of you are handling notices for clients without charging for the service. When Jim Buttonnow and others formed New River Innovation and created the Beyond 415 product, we were pleased with the amount of expertise they brought into a product to handle notices. We were happy for them and sad for you when this product was sold to H&R Block. Some of you offer a tax guarantee service to handle any notices or appearances before the IRS and charge for this service with every return. The retail tax services of Liberty, H&R Block, and Jackson Hewitt readily talk about their guarantees, but you are handling far more complex tax matters at most CPA professional firms than the simple returns processed by most retail tax providers. Providing a fixed fee advisory service for handling

aggressive tax clients provides some protection for the firm as well as for the client. However, with so much money to be made and saved by the client, contingency fees are not uncommon in tax resolution. Tax resolution may not qualify as an advisory service with this strategy.

That said, tools for handling tax notices include Canopy Tax Resolution, which has sophisticated notice handling, IRS Transcript retrieval, collections, and other post-filing cases. It would be best if you looked for features that support your tax resolution practice, including step-by-step resolution instructions, access to transcripts, letter templates for responding to the IRS, form auto-population, and IRS call guides. With the average hold time for the past year with the IRS at 18 minutes, you need to be ready when you finally get to an agent. Plus, the agents are just as worn down and stressed out as your team has been with extended tax seasons. Canopy's competitors of IRSlogics, IRS Solutions, PitBullTax, OIC Tax Planner Tax Resolution Software, and Tax Help Software have similar capabilities with different approaches used in each product. You can see a feature comparison in the sales-biased comparison chart from PitBullTax (www.pitbulltax.com/competition.html).

TAX PLANNING AS ADVISORY SERVICE

Let's turn our attention to tax planning. For years, we have used tools from the major publishers or developed our own strategies and simple guidelines and spreadsheets to make recommendations. If we had more sophisticated clients, we would use BNA Income Tax Planner from **BNA Software**. We could use Planner CS from **Thomson Reuters** or ProSystem fx Planning from **CCH, a Wolters Kluwer** business, for less complex situations. The models we could build were not very interactive,

and the scenarios were limited. A few new tools, such as Tax Planner Pro, created by Christopher Ragain, came along to help small business owners that were using QuickBooks Online or Xero. Christopher has positioned this tool as an advisory offering with Accountant Portal and Registered Tax Planner (RTP) designation.

The most impressive new product we have seen in any category in some time, Corvee provides simple, sophisticated tax planning. If you only take away one thing from this column, you should look at Corvee. Firms that add Tax Planning Advisory services experience an 88.82% growth rate over four years compared to the profession's average 4.2%! But the key is what proper tax planning does for both your clients and firm. Most small firms make around 80% of the revenue from tax, and larger firms make approximately 40% of their revenue from tax preparation.

Suppose you adopt a tax advisory service delivery model. In that case, you'll flip this to around 20% of your revenue coming from tax service delivery in a small firm, increasing value to your clients while increasing profit to the partners. If you can save a client \$25,000 in estimated tax savings, the steps of planning, implementation, and preparation can let you charge much more than a few thousand dollars for a tax return. The question is, how much value can you provide the client? You'll discover that Planning fees from \$2,500-9,000, Implementation fees of \$1,000-10,000, and Preparation fees of \$3,000 (\$2,000 for a business return and \$1,000 for a personal return – BTW, my preparation fees were much more than these) can become common.

Some common problems in a tax practice include:

- Massive delays sending & receiving signed engagement letters (if one is even sent)
- Delays in processing payments on engagements (and sometimes

starting work before payment)

- No structured onboarding process
- Files and requests are being sent back & forth via email (unsecured)
- No reporting on the outstanding requests per client
- Waiting until last-minute tax deadline for all files causing spikes in the workload
- Clients are local and submitting files in person
- The sales and onboarding process is taking up 50% of billable hours (that are not billable)

While tax planning is hard, we often:

- Don't know which questions to ask
- Can't accurately calculate tax savings
- Can't discern how much would it be if you toggled between strategies? Entities? Years?
- Don't know all the tradeoffs with entities and retirement
- Find creating the tax plan and making it consistent takes a lot of time
- Find it's hard to calculate savings on a call with confidence
- Find managers and staff can't create estimates, proposals, or plans on their own
- Discover that I might know 90 strategies, but I don't have time to apply them to my clients even though I'm charging \$5-10K
- Don't know the actual tax savings when each strategy adds deductions and lowers taxable income across tax rates

So, using the right tax planning tool will allow you to:

- Save clients more (most important) than you previously believed
- Collect all client information in one place so you can see the status
- Only start the return when you have everything to finish it in one sitting
- Automate 80% of the collection, process, and deliverable creation
- Focus on the questions and inputs, and let the savings calculate for you
- Add your own strategies and override calculations when needed

- See how each strategy is calculated and edit every single input
- Analyze thousands of strategy combinations in seconds
- Automatically calculate the effect of all strategies against all legal entities
- Export & edit proposals and plans to review with the click of a button

Moving your tax planning practice from compliance to advisory is good for your clients and good for your firm. With the old way of compliance, you prepare returns for compliance, implement one strategy, not a complete plan, help clients for free, look at last year only, you don't plan during tax season, partners/owners are the only planners at the firm, and you are "eyeballing" savings rather than calculating to the dollar. In the new way of advisory tax planning, you reduce taxes with proactive planning, calculate thousands of strategy combinations, review multi-entity savings and planning, project savings and plan for multi-year, you get the client to pay for the planning, implementation, and quarterlies, and you use automation to enable staff/managers to sell and fulfill plans without the owner.

ANOTHER AREA OF OPPORTUNITY AND NEED - CRYPTOCURRENCY

Are you confident you filled out those 8949's correctly this year? Do your clients have cryptocurrency trades with no broker, no statements, and no basis information? Did any of your clients make you nervous about the cryptocurrency question?

Practitioners are reporting many of their high-value clients are investing in cryptocurrencies. Perhaps you've put off dealing with the crypto for your client's return because your client can't find documentation associated with the trades, and you decided to file an extension. You know that the information exists, and the IRS is aggressively targeting cryptocurrencies. In short, you and your client need help now to avoid unpleasant surprises later. Consider using the Crypto Compliance Checklist (<https://tinyurl.com/p3fx936n>), available free from Ledgeble and developed with professionals from my K2 team.

It would be best if you had tax tools that can gather transaction data from most major cryptocurrencies and exchanges, that has the data needed to calculate the basis and fair value of transactions in many cryptocurrencies, and generates reports for

supported currencies that can be used for gain/loss reporting and an inventory of open positions. Based on my research, I've concluded you can't handle cryptocurrency on a tax return without wasting a lot of time unless you have a tool.

While there may be more options, Ledgeble by Verady and LukkaTax are two trustworthy solutions. Ledgeble has automated interfaces that support the major blockchains, exchanges, wallets and accounting platforms, and more added interfaces every month. If you only take away a second thing from this column, know that a product like Ledgeble is mandatory to handle cryptocurrency tax clients. We expect cryptocurrency to be an ongoing advisory need of clients. Recent reports (polling by Harris Polls and Mizuho Securities) suggest as many 10% of all Americans invested some of their relief funds in cryptocurrency during the past two years.

SO, WHAT CAN WE DO TODAY?

While we could have produced another whole article on estate planning tools and the complexities of trust accounting, I wanted to get you thinking about the "whole-of-client" approach to advisory services. All

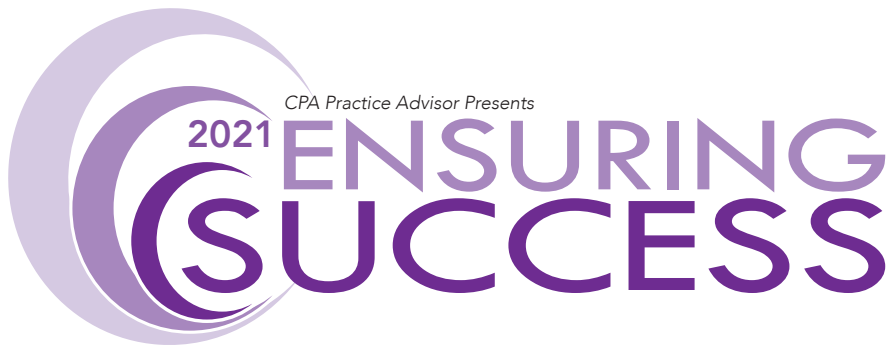
advisory services should start with what the client wants, and you need to address the personal needs at the same time as the business needs. It doesn't matter whether someone is self-employed or works for a Fortune 500 company; all individuals have personal needs and are trading their lives for income.

In a book by Peter Vessenes, the author noted that "Capitalism is an exchange of goods or services wherein all parties in the trade believe that the value received is equal to or greater than the value offered." He goes on to say, "At the time of being hired, you are bartering your work efforts in exchange for a compensation package and other 'intangibles.' People usually regard what the company offers to them in exchange for service in the tangibles, that is, wages, bonuses, health care, stock options, and other perks. Some include career growth opportunities, continuing education, and retirement programs. Though all of these are important parts of the trade, studies of employees have shown that these tangibles never appear at the top of surveys that question job satisfaction (value received in trade by the employee). Appearing ahead of the tangibles are comments such as 'being appreciated,' 'a sense of belonging,' 'acknowledged for my contributions,' 'the great corporate culture, a sense of security.'" While I don't know the original origin of the acronym, I'm reminded of an old Zig Ziglar saying that people listen to WIIFM – What's In It For Me?

Most CPAs I know serve their clients well. Do you want to have the client's best interest in mind? If so, you need to apply advisory thinking to your practice, and pick technology tools to support those efforts. Use the whole-of-client advisory approach to build a practice and relationships that can last for decades and generations. And always look for ways to create the very best client experience! ■



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Strengthen Your Client Relationships with Financial Planning

By Mary Girsch-Bock

MARRIAGE, DIVORCE, REMARRIAGE, having children, or planning for retirement—all of these events can directly impact your client's tax returns, so why not take tax preparation a step further by offering your clients a way to better plan for these events?

It's likely that you're already doing some of the work of a personal financial advisor, but making the decision to formally offer financial planning services can benefit both you and your clients: increasing revenue for your firm, while also providing both new and existing clients with a more robust menu of services to choose from.

Some of the personal financial planning services you can offer your clients include:

- **Managing personal goals:** These can include small things like planning a wedding or graduation, or buying a house.
- **College savings:** From the time a child is born, many parents start thinking about how they'll pay for college. And with tuition at an all-time high, it's important that these parents understand the multiple options for saving.
- **Emergencies:** Fewer than 4 in 10 Americans have enough money available to cover an unexpected \$1,000 expense, according to a recent survey conducted by Bankrate. Helping your clients set up an emergency fund can help them be better prepared when unexpected expenses pop up.
- **Retirement:** Retirement planning is a big one. Starting your clients off early by schooling them in their retirement options can prove beneficial down the road.

Financial planning can range from putting together a simple plan for your client in a few hours, to creating a live plan that will be consistently updated as your client's financial circumstances change over time.

Adding financial planning services is particularly well suited for accounting firms that spend a lot of time preparing client taxes, since the financial circumstances of your clients has a direct impact on their tax return. By actively advising your clients throughout the year, chances are that you can help them avoid tax penalties or reduce their tax burden.

There are a number of advantages to adding financial planning services to your practice. These include:

- **Easy expansion of services:** If you already have an established client base, it's a smooth transition to start offering financial planning services, particularly since many financial planning tasks such as retirement planning impact your client's tax return.

- **Increase per-client revenue:** If you typically complete a client tax return and you don't talk to your client until next year's tax return is due, you're missing out on a lot of revenue possibilities. Providing financial planning is a year-round task, and it will nicely fill up the holes left by only preparing tax returns. As a result, you'll have steadier revenue year-round, rather than an influx at the beginning of the year, followed by lower or no revenue the rest of the year.

- **Convenience:** Offering financial planning services is not only convenient for you, but it provides your clients the convenience of going to one location for all of their financial services.

- **It's a differentiator:** If you're looking for ways to stand out from the competition, offering financial planning services may be the way to go. And while taxes may initially bring clients to your firm, knowing that you offer other services makes them more likely to stay.

There are many ways to get started offering financial planning services. To begin, you may want to consider partnering with an established financial planning firm. However, you can also choose to handle financial planning in-house.

You'll need to create a fee structure built around the new services you'll be offering, with complete clarity surrounding all fees charged. And make sure that you update your website to reflect the new services you're offering, and how clients can benefit from those services. Same goes for any brochures and fliers that you may distribute.

While financial planning can add additional revenue to your firm, it will also increase your workload as well as the workload of your staff. Be sure you have adequate resources in place before you launch any new services.

Offering financial planning can help you expand on the tax preparation services you already offer. Adding these services to your firm can help you retain your current client base as well as attract new clients to your firm. ■

Mary Girsch-Bock is a freelance writer specializing in business and technology issues and is the author of her first book, several HR handbooks, training manuals, and other in-house publications. She can be reached at mary.girschbock@cpapracticeadvisor.com

Be sure you have adequate resources in place before you launch any new services.

Problem Employees – Develop or Dismiss?

NOT UNTIL THE last several years, while intermittently dealing with an acute lack of available applicants to fill job vacancies, have employers begun to more frequently struggle with the decision of whether to discharge a poor-performing or problem employee or give the employee yet another chance. While always a distressing event, while there was an continuous stream of job-seekers applying, and the knowledge that employees were employed at will – the relevant concerns about terminating an employee did not include serious ramifications on operational capacity.

However, by early 2020, shortly before the Coronavirus shattered our world, the unemployment rate had fallen to about 4%, its lowest point in 50 years. Employers in almost every industry were seeking to retain current employees and attract new employees through a variety of measures. More employees were voluntarily leaving to jump to another job than at any time since 2001.

The COVID-19 pandemic turned the job market upside down. The mandatory closure of many businesses forced millions of people out of work. Unemployment rose to over 14% nationally and higher in some markets. While it has fallen to around 6% as businesses rebound, millions remain unemployed. Despite this, many employers are still reporting difficulty in finding new hires. As the economy continues its recovery, competition for workers will intensify, exacerbating the hiring problem.

Replacing employees, no matter the reason for their departure, is costly and time-consuming. In addition to the direct costs of recruiting, hiring, and training of new employees, there are the indirect and hidden costs of lost productivity and diminished employee morale among the remaining, overworked employees who may question whether they too should be seeking other employment.

While employers may not

be able to prevent the departure of an employee seeking another opportunity, employers can prevent unnecessary or hasty terminations. Discharging someone who is underperforming or has violated work rules may seem to be necessary. However, given today's highly litigious environment, even a routine discharge generates risk. No employer action has a greater likelihood to precipitate legal scrutiny than firing an employee.

The number of workplace laws and regulations protecting employees from unfair or arbitrary termination, and the number of federal and state agencies that enforce them has never been larger. Employment related legal actions are among the most, if not the most, frequently filed today. Whether they are administrative charges filed with workplace enforcement agencies or lawsuits filed in the courts, they can be costly to defend even when the employer's actions were perfectly lawful.

There are circumstances where the dismissal of an employee is the only viable option. Threatening or harassing conduct, violence, theft, serious or continual insubordination, and similar serious misconduct cannot be tolerated. Yet in many cases the situation is not one of flagrant or serious misconduct. Attendance issues are the single largest cause for employee terminations. Given the

legal risk and the costs of replacing someone in a tight labor market, perhaps a better alternative in some cases, would be to rehabilitate the problem employee. Helping employees through performance or conduct issues to become productive members of the team could prove much more rewarding and certainly more cost-effective than summarily ushering them out the door.

Unfortunately, there is typically no speedy or simple process for developing a problem employee into a model participant in the workforce. It requires the time and careful attention of someone close to the issues, usually the employee's immediate supervisor or a competent and conscientious lead person. Whoever acts in this role should have an intimate knowledge of the job and how it should properly be performed. This person should also be in a position to observe and promptly correct any conduct issues that may persist. In addition to the personal coaching and guidance needed, the supervisor/lead person should also be prepared to use progressive discipline if necessary.

When properly used, progressive discipline can help correct unacceptable performance or behavior. At each stage of the discipline process, the conversation with the employee should be equal to the level of discipline. Too often this type of critical



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discussion does not occur.

Employers attempting to salvage a problem employee also sometimes fail to take advantage of other available processes to address performance issues. One recommended step used by numerous employers is a Performance Improvement Plan (PIP). This should be considered any time an employee is struggling. Employers can implement PIPs for a wide range of reasonable time periods and include whatever benchmarks the employer deems appropriate to track and measure the employee's progress.

The PIP should provide the employee the information needed to understand his/her performance deficiencies, the performance goals, and the actions necessary to meet the performance and behavior goals. In the unlikely event that the personalized coaching and PIP are unsuccessful in achieving the desired progress, and termination is looming, the employer may want to consider a "last chance agreement." This can be for whatever length of time and can include any benchmarks that the employer feels are suitable.

The understanding is that any continued unacceptable performance or behavior will automatically result in immediate dismissal. Ultimately, the goal is to avoid losing an employee who, if given the opportunity (or even opportunities) and needed guidance, can become a productive team member, helping to contribute to the success of the business. ■



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AT DIFFERENT MOMENTS in our lives, our attention is drawn to different things. Maybe we are excited for spring to turn into summer. Or perhaps we are eager or anxious about graduating from college. Or, as we get older, nervous about our upcoming wedding. No matter what is happening in our lives we are directly impacted by it. After surviving 2020 and early 2021, we were all living in a short term, focused life, just trying to get through another crazy day.

Now, as we move into the second half of 2021, we can actually take a moment to pause and begin to reflect on where we go next. What do you want to achieve in the end of 2021 and beyond. Now that you have the option to think ahead where do you want to go? Where do you want to help lead others around you to go?

As I have written before, success in moving forward is all about knowing where you are going. That is why now is a great time to reflect back on a millennial mind trait and use that to get us excited about thinking about the future. Here we are talking about FOMO (fear of missing out),

that dreaded millennial abbreviation you have probably heard about before and rolled your eyes, it is okay to admit.

The term FOMO was created back in 2004 by Patrick J. McGinnis in an op-ed he published. His original article focused on social life at the Harvard Business School. The idea is that we feel fear or anxiety about missing out on something else. If we pick A, we can't pick B. If we pick the red pill, we can't pick the blue pill. While this term is generally viewed as a negative trait for millennials, in one positive aspect, it causes them as a generation to make decisions more quickly and more often than

others. That ability to make quick decisions is what we want to focus on as we plan for the future.

MOVING FORWARD

Don't dwell on the fear of missing out on anything and certainly don't dwell on the fear that doing anything differently is bad as well. Charting your own path to success is all about taking steps to change, to improve, to do more than you did the day before. Your success moving forward will forever be tied to this concept. This is the lesson we are taking today from the millennial mind, the constant push and desire for change. Just like anything, moderation is the key to success. You don't need to have FOMO over moving to Malaysia, sell all your possessions, quit your job and live in the middle of nowhere in a yurt. What you can do, is improve.

GROWTH

Grab a note pad, virtually or physically, and write down five things you would like to change at work. Come on, we all have at least five things on our list. As you write out this list, these do not have to be

major changes, they can be small little things. Something as simple as reaching out to one client a week via phone instead of email. Or for the next project you complete for a client, get paid before the work goes out the door and not after. We all have a long list of changes we would like to see happen, we get caught up in the busyness of each season or year and just go through the motions. That is why now is a great time as we re-adjust to post-Covid to think about what we have been missing out on.

- Did we feel the pain the past year of an ever-growing account receivable as we only get paid months after we complete projects?
- Did we have to go into the office once a month to print checks to pay our vendors?
- Did we put off making that obviously needed change at the organization, because we wanted to wait until Covid was over?

If you want to go back to how things were pre-Covid, your path is easy, just don't do anything different. However, if you are looking to have a future, a career, and others to work with, then now is the time to make change happen. Have some healthy fear of missing out and starting tomorrow pick one thing, even if small and make a change happen. Maybe, after all that change, you have been avoiding all those years is for the best. ■





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9 Ways Accountancy Consultants Can Benefit Your Business

TO KEEP COSTS low and productivity high, businesses must be agile and innovative — particularly during times of systemic disruption, such as a global pandemic. As the COVID-19 crisis has forced accounting firms and departments to refocus their services and realign resources, many CFOs and companies have turned to consultants — interim workers, often project-based — to help navigate the new economic landscape and keep business moving forward.

With the wide variety of solutions they can bring — from bridging skills gaps and reducing long-term overhead to easing workloads and preventing burnout — project professionals are seeing higher demand as consultancy becomes an increasingly popular staffing solution. Consultants can help drive efficiency and build business resilience in the face of an uncertain future.

BENEFITS OF HIRING A CONSULTANT

- **Shifting from fixed to variable costs** — When cash flow is tight, many firms implement a hiring freeze to consolidate their fixed costs. Yet maintaining high levels of output is essential for business growth. Working with contractors is a way to boost internal activities and keep core projects moving forward — all while mitigating the overhead associated with hiring full-time personnel, such as salaries, training and benefits. Taking on temporary staff means you pay only for the talent you need, only when you need it.
- **Headcount versatility** — Being able to build or reduce headcount in response to changing economic conditions allows businesses to quickly adjust output, while keeping tight control of balance sheets. Without the right staff in place, accounting firms risk falling behind during busy periods. Supplementing core staff with project-based consultants means firms can scale the team as needed to keep initiatives on track.
- **Time saved on recruitment** — Advertising, interviewing, negotiating and onboarding can take weeks, if not months — especially for senior positions. In contrast, skilled contract workers are often available at short notice and can make immediate contributions. Using a specialized staffing agency means that project professionals will have been pre-evaluated, including a preliminary interview, to make sure they can do the job, making it a low-risk and cost-effective way to bring in new talent.
- **Access to specialized skills** — As audit regulations,

financial reporting and tax laws become ever-more domain specific, accountants with expert knowledge of a sector are in increasingly high demand. Where this talent isn't available in-house, consulting professionals with advanced degrees can be brought in to fill the gap. Companies looking to automate their processes, centralize their accounting departments and upgrade their ERP systems may require technical consultants (www.cpapracticeadvisor.com/21106844) to assist with software implementation and staff training.

- **Tap into fresh thinking** — Businesses making tough decisions or looking to overcome complex challenges often turn to highly experienced consultants for fresh ideas and an impartial perspective. Whether it's a cost-reduction plan, corporate governance structure or post-merger integration, professionals who have a long track record in accountancy can inspire solutions and facilitate change, leaving internal resources free to focus on day-to-day operations.
- **Continuity of key services** — When an employee takes extended time off — such as parental leave or long-term sickness — the rest of the team can become overwhelmed trying to absorb the extra workload. Transaction backlogs, uncollected bills and other slip-ups can be easily avoided by enlisting temporary help from an experienced interim ledger or accounts payable accountant.
- **Try before you buy** — Many firms remain cautious about hiring in the current climate — and don't want to run afoul of employment law should they need to lay off staff down the line. Employing accounting professionals on a contract basis gives managers time to evaluate their skills and make sure they work well with the team before offering them a full-time role, avoiding the costly consequences of making a bad hire.
- **Generate extra momentum** — Peak periods such as month-end, year-end, tax season and budget season can leave accountancy teams feeling exhausted.

Boosting your team's capacity by bringing in interim staff helps prevent burnout, which can lead to reduced productivity and other problems, even including staff falling ill. Consultants can also provide valuable support for special projects where there is a gap in resources.

- **Improve staff retention** — Savvy managers know that investing in your workforce leads to better morale and more motivated employees. When you hire a consultant or contract professional to support your team, it shows that you recognize how hard they're working and the mountain they have to climb. When top performers feel valued and appreciated, they're more likely to stick around, resulting in a motivated, dedicated and highly skilled workforce.

WORKING WITH A RECRUITMENT SPECIALIST

Even without a global pandemic, the world of accounting is always changing. Recruitment specialists like Robert Half make it their business to keep up with the latest hiring trends and have valuable insights into local job markets and put that knowledge to work for their client businesses. That's on top of the time-saving steps they take on with hiring — such as advertising vacancies, identifying talent, carrying out background checks, communicating with candidates, scheduling interviews and negotiating salaries on your behalf. By acquiring talent through an agency, you can also help protect your firm from hiring pitfalls and find the people you need to move forward.

High-performing employees will always be the backbone of your organization. They know your clients inside and out and can run your finance systems with relative ease. But as the pandemic has proved, businesses must be prepared for disruption and focus on building resilience. Cultivating a lean, flexible workforce supported by contract-based talent can help you operate smoothly year-round and overcome any challenges. ■

How to Use Polls to Measure Your Clients' Needs

By Becky Livingston

IF I WERE to ask you, "What do you prefer, working or vacationing?" Which would you choose? That simple question is a poll, providing answers that inform content development to get my target market's attention. Okay. That sounds fun for consumer brands, but are polls something B2B companies could use? Yes! Here's why.

7 BENEFITS OF SOCIAL MEDIA POLLS

Whether you create a poll through advertising or as part of your organic social media strategy, here are seven reasons to use them.

- **Increased Engagement.** Increased social media engagement = higher social media clout. More social media clout = increased online brand visibility.
- **Generate Leads.** Attaching a lead generation form to share poll results or providing an offer helps make the interaction feel more natural for the audience while giving you lead data.
- **Cost-Effective.** Compared to focus groups, online polls are less expensive.
- **Administrative Ease.** You can schedule polls in your organic social media plan and distribute them with ease.
- **Audience Reach and Sample Size.** Polls are unrestricted by geography, demographics, or interests. When paying to post them, you have control over who will see the poll.
- **Data Analytics.** Social media tools provide a variety of analytics about those who completed the request, including household income, geography, age, gender, and more. Though some of this data may be suppressed due to the Apple iOS 14.5 update, you can still collect quite a bit of information.
- **Less Intrusive.** Users are accustomed to taking a social media poll on just about any platform.

WHAT PLATFORMS SUPPORT SOCIAL POLLING?

Each of the major social media platforms allows polling, including LinkedIn, Twitter, Facebook, and Instagram. To maximize its effectiveness, be sure to launch the poll from your firm's page rather than a personal profile.

BUDGET

You can create a poll on your company page without spending a dime. However, organic polls

only go to your existing followers, unless shared by your followers to a larger audience. If it's shared, you have no idea who it's going to.

Paying for a poll post will give you control over the audience, increase your sample size, and provide information about a target market.

POLL QUESTION INSPIRATION

You have to be realistic with your poll questions to make sure the data collected helps your firm. Here are some examples that could lead to content development.

- How do you prefer to get information? (a) podcast / (b) webinar / (c) reading. The top answers inform how your content is consumed.
- If you could live outside the U.S. while retaining your citizenship, where would you live? (a) Europe (b) Asia (c) Canada (d) South America, etc. Answers would lead to a series on international tax, FBAR, and ex-pat taxes.
- What kind of movies do you like to watch? (a) drama (b) sci-fi (c) action (d) romance, etc. This data informs how you create scenarios in content examples. Each genre lends itself to certain types of content headlines. Future storylines could then be based on the data.
- What are you most worried about when it comes to retiring? (a) no social security benefit (b) I won't have enough money (c) I'll never be able to retire (d) Retirement, what's that? Answers to this question can lead to a series of financial planning, estates, trusts, and more.
- Have you considered moving out of state? (a) yes (b) no. This data lends itself to cross-border tax topics, income tax returns, property tax issues, etc.
- If we shared a monthly newsletter with cash flow tips, money management, audit tips, payroll guidance, etc., would you want to receive it? (a) yes (b) no. Answers help you determine if you should spend time, money, effort on creating a monthly newsletter.

- What is your top business pain point? (a) cash flow (b) succession planning (c) tax management (d) payroll oversight (e) time management, (f) audit prep, etc. Each answer lends itself to a series of business pain points and how your firm can solve them.
- Did you hear, [insert celebrity name] didn't have a Will for [his/her] estate? Do you have a Will? (a) yes (b) no. Based on responses, you could create a series of estate planning tips.

If you want to know more about your audience, consider demographic questions, such as "What was your favorite television show growing up?" (a) Flipper (b) Beverly Hills 90210 (c) Friends (d) Dawson's Creek (e) Nah to TV give me video games.

Create questions that help you gauge the age of those responding. Then create content addressing life issues during those ages. For example, Flipper would align with boomers. Beverly Hills 90210 would signify Gen X. Friends would indicate a millennial. The video game answer would align with Generation Z.

MAKE THE MOST OF YOUR POLLS

Here are four tips to help boost your poll's effectiveness.

- **Keep it interesting and relevant.** Ensure that your audience cares enough about the topic to respond.
- **Post the poll during peak visitation/traffic times and days.** Find the time from your social media platform analytics.
- **Avoid too many polls.** Posting once a month might suffice.
- **Respond.** Take the time to interact with poll takers by responding to questions or following up with links to relevant content.

Now that you have some poll ideas, what will you ask your audience? ■

Becky Livingston is the Owner and CEO of Penheel Marketing, a NJ-based firm specializing in social media and digital marketing for CPAs and small business owners. With over 25 years of marketing and tech experience, she is the author of "SEO for CPAs - The Accountant's SEO Handbook" and the "The Accountant's Social Media Handbook." In addition to being a practitioner, she is a dog lover, an active Association for Accounting Marketing's (AAM) committee member, an adjunct professor, and a speaker/trainer. Learn more about Becky and her firm at <https://Penheel.com>.



Reference Apps

WE'RE ALL PRETTY accustomed to Googling when we need answers. But is that the best source of information? Where do you go when you have questions? This month we are sharing our favorite reference apps with the *CPA Practice Advisor* readers. Some members of our community weighed in with some of their favorite reference apps, and I've added several of my own (and, alas, Google helped me round out the list).

Garrett Wagner, CPA.CITP, founder/CEO of C3 Evolution Group, said, "While this app isn't new, **Wikipedia** is still the spot I go to anytime I'm on my device looking for answers. If I'm doing a voice search then it is **Alexa** all the way. If I'm looking to get fancy with my words, I turn to **Power Thesaurus**, for a simple and clean tool for looking things up on the fly."

Chris Frederiksen, CPA, co-founder of Frederiksen-Crawford CPAs, is on board with **Google**: "I find the FAQ for most apps is completely inadequate and usually written from the point of view of the developer rather than the customer. So I use Google all the time when I am stuck; Google seldom fails."

Rick Richardson, CPA.CITP, CGMA, managing partner at Richardson Media & Technologies, said, "Here's the one I go to most often: **ProWritingAid**." This app provides grammar checking, style editing, and writing mentoring. A free trial is available for this fee-based app.

Caleb Jenkins, EA, CQP, business and accounting leader at RLJ Financial Services, replied to our inquiry with, "I know this isn't necessarily a 'reference app' but I utilize **Twitter** quite a bit to begin my research on something. I love the search capabilities and the opportunity to start a conversation on any topic with lots of people at any time."

Leslie Shiner, owner of The Shiner-Group, is another Twitter fan: "I know Twitter has its down side, but I get a lot of really good info from #taxtwitter on Twitter. Especially with all the law changes and rule changes and information around the PPP, ERTC, etc – it's been a crazy year."

My personal favorites are the apps that focus on specific types of information. For example, **Night Sky** tells me about the constellations and planets I'm seeing when I point my phone in a certain direction. It also identifies galaxies, satellites, and the International Space Station.

Garden Answers helps me identify flowers and plants that I see when I'm walking or exploring. The **IMDB** app lets me explore background information on movies, actors, directors, and other film crew members. I'm a fan of **WebMD** for research about health issues.

When it comes to genealogy reference apps, I recommend **Ancestry**, **LDS Family History**, **Find A Grave**, and **Ellis Island Search**.

I turn to Wikipedia frequently, but there are also apps for **Encyclopedia Britannica**, **Encyclopedia Farlex** (includes science, technology, history, and more, and is updated regularly), and **WikiArt** is dedicated to art reference, as is **Art Authority**. **Geography of the World** provides maps along with detailed information on all countries. For How-To apps, there is **WikiHow** where you can read about how to do just about anything, and of course **YouTube**, where you can watch how to do just about anything.

Popular dictionary apps include **Merriam-Webster Dictionaries**, **Oxford Dictionary of English**, and **Dictionary.com**. And you can use **Pocket Thesaurus** and **Power Thesaurus** to find just the right synonym or antonym. And don't forget **Grammarly** if you are struggling with sentence construction.

If you need help with computations, check out **WolframAlpha** or **MathRef**, and if it's science you need to know about, consider **Wolfram General Chemistry**, **iSearch Science**, and **BioDigital Human – 3D Body**. Side note – I live in Cicada Brood X territory, so I've been using **Cicada Safari** app this year to track the emersion of the bugs! ■



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Using Agile Methodology on the Digital Transformation Journey By Jim Grundner

TRANSFORMATION IS A concept applicable to nearly every aspect of our lives: our diet, our home, our leadership style, etc. And regardless of the application, the focus is consistently the same: moving from point A (the current state) to point B (the ideal state).

Digital transformation within businesses, however, is different. It's an ongoing journey, evolving in ways we have never seen. Not because targets aren't identified, but because the targets are moving due to business, market and societal changes. Case in point: social media. Initially it was a digitally enabled platform for people to connect. It has quickly become a critical medium for growing businesses, expanding political platforms, and driving health and safety awareness. Social media as a communication tool has been both the driver and the product of digital transformation.

DEFINING "DIGITAL TRANSFORMATION"

Before going ahead, let's take a step back and look at the overall concept. What is "digital transformation"? It is a mobile-first, cloud-enabled, agile and automated mentality. It is a nimbleness, requiring continuous innovation to integrate technology into nearly all aspects of business

to achieve faster, more effective and more resilient solutions that enhance the user experience.

The current pandemic has magnified the necessity of technologies and security to enable digital operations. The ability to access all of the following from your cell phone, iPad, or home office became a necessity for many: real-time business unit P&L, the status of month-end close, medical test results, call center agent status, user acceptance findings, and the list goes on. Moreover, our business meetings, our children's school meetings, celebratory events and medical appointments have largely converted to Zoom, Google Meet, Teams via our devices and remote networks.

The need for ever evolving digital transformation can be summed up by this expression: "The last best experience that anyone has had anywhere becomes the minimum expectations everywhere."

From an accounting and finance perspective, the journey of digital transformation started slowly but is catching on rapidly. Organizations are realizing that by automating low value, routine transactions will allow more time to handle exceptions and analyze the business. This automation is occurring across the entire accounting and finance function from accounts payable to month and quarter close processes and beyond.

USING AGILE TO ENABLE DIGITAL TRANSFORMATION

Therefore, an agile approach is necessary to undertaking digital transformation initiatives. Whether developing or acquiring software to enhance each customer's online experience, or to meet the internal and external demands for real-time reporting, or to redact personally identifiable information from millions of emails, the path is a journey.

Because no ultimate point B exists, testing for effectiveness, acceptance and applicability along the way (and from the beginning) are critical to keeping pace with the speed in which requirements, expectations, desires and the competition change.

Speaking of "competition," a digital-enabled business uses a lens much wider than its own industry as a window into its competition. Whereas taxi, limousine and car service businesses were once in their own sector, now technology companies (e.g., Uber, Lyft, Google) are key competitors. We once thought only food could be delivered; now we can order just about anything via your favorite personal assistant, Alexa via Amazon Echo.

The bottom line is that businesses that have embraced digital innovation are thriving, even in the most difficult of circumstances, while others who stayed the course are now falling behind or experiencing bankruptcy.

Whether your focus is back, mid or front office, technology and digital advancement must remain at the forefront to continue to achieve personal, team and company success.

A couple key points follow:

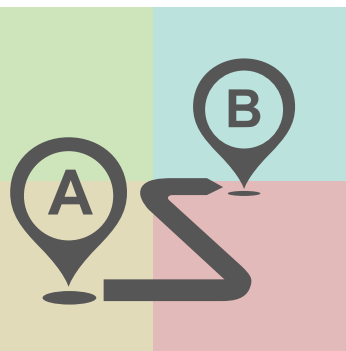
1. Ensuring a strong emphasis on

human touch has never been more important. As artificial intelligence, robotic process automation and machine learning become more common, the opportunities to interact human-to-human must be seized with a high degree of empathy, patience and personalization.

2. Focusing on innovation rather than invention will enable the journey. Invention is hard, creating never-before-patentable approaches takes time. Innovation though can speed it up. The key is in keeping your eyes and mind open. Be curious, as a habit. Look at every mobile app, every website, every interaction you have as a customer as a possible new way to serve your stakeholders. Don't believe in boundaries – they no longer exist. If someone is serving you or other customers in some new and interesting way, consider how you might apply it to your situation.

Digital transformation is an entire company mindset. Implications to people, process, technology, culture and security require continued focus and evaluation. The concept of "operations anywhere" (e.g., virtual workforce, remote connections to business platforms, etc.) heighten the need for hopping on the digital transformation journey. Ongoing modernization, automation and innovation are key pillars for any organization's growth and success. ■

Jim Grundner is Agile Practice Leader at Vaco and has 20+ years of Agile and DevOps transformation expertise. His certifications include Certified Agile Leader (CAL), Certified Scrum Professional (CSP), Certified SAFe Agilist (CSA), Certified ScrumMaster (CSM), Certified Scrum Product Owner (CSPO).



AICPA News is a round-up of recent announcements from the institute.

A Quarter of American Taxpayers Don't Have a Financial Plan

For some people, submitting their tax return to the IRS is a relief as they put the paperwork out of sight, and out of mind, until next year. Others recognize that tax time is the perfect time to plan for the future while all the documents are readily available. In fact, half of American taxpayers (55 percent) have used the information collected and entered on their annual tax return to create or make changes to their financial plan, with a little more than a quarter (27 percent) doing so annually, according to research conducted by The Harris Poll on behalf of the AICPA in the fourth quarter of 2020.

The survey found that a quarter of American taxpayers (23 percent) who have filed income tax returns in the past three years do not have a financial plan. For those looking for guidance on how to use their own tax return to develop a well-rounded comprehensive financial plan, the AICPA's National CPA Financial Literacy Commission recommends using your 2020 tax return as a starting point.

These five areas of a tax return are a good place to start:

- Who counts on you for support?
- Is your withholding aligned with the taxes you owe?
- Where is your money coming from?
- Where are you on the road to retirement?
- Are your itemized deductions in line with your goals? ■

AICPA RECOGNIZES OUTSTANDING CPA EXAM PERFORMERS WITH 2020 ELIJAH WATT SELLS AWARD

Nearly 75,000 individuals sat for the CPA Exam in 2020 with 89 candidates meeting the criteria to receive the Elijah Watt Sells Award.

The Elijah Watt Sells Award program was established by the AICPA in 1923 to recognize outstanding performance on the CPA Exam. Sells, one of the first CPAs in the U.S., was active in the establishment of the AICPA and played a key role advancing professional education within the profession.

The AICPA, which owns and scores the CPA Exam, works with hundreds of volunteers and other stakeholders to maintain its relevance to the profession and alignment with the knowledge and skills required of a newly licensed CPA. To support candidates along their journey, the AICPA provides a wealth of information and tools, including the CPA Exam Blueprints, sample tests and tutorial topics, and the CPA Exam Booklet. ■

AICPA RELEASES NEW CERTIFICATE ON DATA ANALYTICS CORE CONCEPTS

The Association of International Certified Professional Accountants (Association), representing AICPA and CIMA, has released a new Data Analytics Core Concepts Certificate to assure practicing CPAs have the necessary skills as data analytics becomes a critical business tool for accounting and financial professionals.

It is increasingly incumbent upon practicing CPAs and financial professionals to have a thorough understanding of data analytics to remain competitive in the current market. The AICPA and National Association of State Boards of Accountancy (NASBA), recognizing the changing skills needed by the profession, developed the CPA Evolution model and new Uniform CPA Exam to assure future CPAs are equipped with the proper skills.

Those completing the certificate program will have the ability to:

- Define the characteristics of an analytical and data-driven mindset.
- Recognize how to establish objectives and desired outcomes of a data analytics project for a business or client.
- Recognize ways data is described and interpreted.
- Describe the types and categories of data.
- Recognize how data science and data analytics are connected.
- Recognize characteristics of the technology and data ecosystem for data analytics.

Data Analytics Core Concepts is one of several certificates, resources and trainings the Association offers its members and other financial professionals to remain skilled as technology changes how businesses operate. ■

NEW AICPA CHAIR FOCUSES ON EMPOWERING NEW GENERATION OF ACCOUNTANTS

William (Bill) Pirolli, a partner with DiSanto, Priest & Co., in Warwick, R.I., is the new chair of the AICPA, the world's largest member organization representing the CPA profession. As of June, he will also serve as vice chair of the Association of International Certified Professional Accountants, which combines the strengths of the AICPA and the Chartered Institute of Management Accountants (CIMA).

Pirolli, a CPA who also holds the Chartered Global Management Accountant (CGMA) designation and the Certified in Financial Forensics (CFF) and Personal Financial Specialist (PFS) credentials, was elected to the one-year AICPA volunteer post by the organization's governing Council, which concluded its virtual Spring Council session today. Anoop Mehta, CPA, CGMA, president of Science Systems and Applications in Lanham, Md., was voted in as the AICPA's vice chair.

Pirolli mentioned three key areas of focus for his term:

- Encouraging the profession's next generation.
- Supporting small businesses, including small accounting firms.
- Focusing on the human element.

Pirolli was AICPA vice-chair for the past 12 months and was recently recognized with the AICPA Sustained Contribution Award for 20 years of continued volunteer service to the profession. He also was a long-serving chair of the executive committee that oversees the AICPA's Private Companies Practice Section.

In his work with DiSanto Priest & Co, a multi-disciplinary accounting and financial services organization, Pirolli focuses on estate and succession planning, mergers and acquisitions, financing and litigation support, as well as traditional tax, accounting and advisory services. ■

AICPA Supports Setting Tax Preparer Standards

For several years, the AICPA has led advocacy efforts in support of tax preparer regulation. The recent release of the American Families Plan (AFP) includes a proposal to provide the Department of the Treasury with undefined authority to regulate paid tax return preparers. Together with two additional elements recommended by the AICPA, the Taxpayer Protection and Preparer Proficiency Act of 2019 (S. 1192), introduced by Senate Finance Committee Chair, Senator Ron Wyden, captures an appropriately defined objective as laid out by the AFP.

In a letter sent to Senate Finance Committee Chairman and Ranking Member, Senators Ron Wyden and Mike Crapo, and House Ways & Means Committee Chairman and Ranking Member, Representatives Richard Neal and Kevin Brady, the AICPA recommends these key elements be included in a plan to regulate tax preparers:

- Limit IRS's authority to require a PTIN.
- Certain non-signing "supervised" preparers that do not have the primary responsibility of the accuracy of the return should be excluded.

- Authorize IRS revocation of PTINs.
- Require GAO to study IRS's exchange of information with state taxing authorities with regard to preparer regulation.
- Reinstate IRS's Registered Tax Return Preparer (RTRP) Program and clarify Congressional intent with respect to the RTRP Program (additional element #1). The RTRP program should require:
 - A one-time basic individual tax competency exam,
 - Fifteen hours of annual continuing education,
 - Compliance and background checks,
 - Compliance with advertising restrictions,
 - Compliance with the ethical standards of Circular 230, and
 - Exclusions for Circular 230 legacy preparers.
- Mitigate marketplace confusion (additional element #2).
- Unlicensed preparers promoting the RTRP program should inform the public that the IRS does not endorse any particular preparer and direct them to the IRS website where the differences between various types of preparers and their qualifications are explained. ■

AICPA Offers Recommendations on 2021-2022 IRS Guidance Priority List

The AICPA has submitted 170 recommendations to the Internal Revenue Service (IRS) in reference to the agency's 2021-2022 Guidance Priority List.

Each year, the Department of the Treasury's Office of Tax Policy and the IRS use the Guidance Priority List to identify and prioritize tax issues that should be addressed through regulations, revenue rulings, revenue procedures, notices and other published administrative guidance. The AICPA's recommendations pertain to guidance projects it believes Treasury and the IRS should consider when addressing these issues.

AICPA's high priority recommendations relate to guidance on regulations found in the Tax Cuts and Jobs Act (TCJA); the Coronavirus Aid, Relief and Economic Security (CARES) Act; and the Setting Every Community Up for Retirement Enhancement (SECURE) Act. These recommendations address many significant tax issues, including employee retention credits (ERC), Paycheck Protection Program (PPP) loan forgiveness and various aspects of

section 199A, virtual currency taxation, and international taxation.

Recognizing the complexities and competing interests when drafting guidance, the AICPA urged the IRS to consider the following guidelines as part of the process:

- Use the simplest approach to accomplish a policy goal;
- Provide safe harbor alternatives;
- Offer clear and consistent definitions;
- Use horizontal drafting (a rule placed in one Internal Revenue Code section should apply in all other Code sections) to the greatest extent possible;
- Build on existing business and industry-standard record-keeping practices;
- Provide a balance between simple, general rules and more complex, detailed rules; and
- Match a rule's complexity to the sophistication of the targeted taxpayers.

Suggestions are listed under the AICPA working group that developed them and recommendations are listed in priority order within category. ■

AUDIT RISK ASSESSMENT GUIDANCE ADDED TO AICPA & CIMA DIGITAL ASSETS PRACTICE AID

"There are challenges and unique considerations when auditing an entity that holds or transacts with digital assets," said Diana Krupica, CPA, AICPA & CIMA Lead Manager, Emerging Assurance Technologies. "From performing risk assessment procedures [to] understanding new processes and controls to identify related parties, it is important for auditors to look through the lens of digital assets and understand exactly what audit procedures need to be performed. We hope this latest guidance will help auditors consider the potential risks unique to the digital assets environment."

This new material will complement accounting and auditing guidance issued last year. It is based on professional literature and experience from members of the AICPA & CIMA Digital Assets Working Group (DAWG) and AICPA & CIMA staff and is specific to the U.S. Generally Accepted Auditing Standards (GAAS).

As the digital asset ecosystem evolves, the auditor continues to be presented with unique risks and challenges. In response, AICPA & CIMA – which is driven by the Association of International Certified Professional Accountants – today updated its practice aid, Accounting for and Auditing of Digital Assets, to include nonauthoritative guidance in the auditing areas of risk assessment, processes and controls, laws, and regulations and related parties.

Risk Assessment and Processes and Controls

This section of the practice aid is organized into the following topics:

- Understanding the Entity and Its Environment
- Understanding and Evaluating the Entity's Risk Assessment Process
- Understanding the Entity's Processes and Controls

Each section describes the individual considerations that may be important when performing risk assessment procedures, including the types of procedures that auditors may perform, or are required to perform, to identify and assess risks of material misstatement in audits of entities engaged in the digital asset ecosystem.

Laws and Regulations and Related Parties

This section addresses the unique challenges and potential procedures auditors consider for both compliance with laws and regulations as well as identification, accounting, and disclosure of related parties in an audit of an entity that holds or transacts with digital assets. Because related party transactions may reflect a risk of material misstatement due to noncompliance, these topics are considered in the same section.

In addition, appendix A, Blockchain Universal Glossary, has been added to the practice aid that was developed as a reference for all AICPA & CIMA blockchain and digital assets-related content.

A COVID Tax Season Post-

FROM A CLIENT'S perspective, CPAs are the solution to confusing financial problems. However, with the past two tax seasons peppered with pandemic-related stressors, extended tax deadlines and a whirlwind of economic stimulus legislation, who is helping the accountants?

Running an accounting practice has always come with unique challenges, but the COVID-19 pandemic brought unprecedented challenges, as well as some less-obvious opportunities.

As lockdowns come to an end and the economy picks back up, it's a good time to reflect on what went right (or at least ok), what went wrong, and what needs to change as we begin a slow transition into whatever the "new normal" looks like, post-COVID, for the accounting industry.

WHAT WENT RIGHT

It's easy to focus on all the hurdles placed in our way, but there have been some silver linings.

FIRMS WITHOUT BORDERS

When firms and their clients were forced to close their doors, everyone got a crash course in working remotely. Business leaders who didn't trust a distributed workforce before had no choice but to place their trust in people and technology, and accounting professionals rose to the occasion.

It's a change that's likely to last. According to a December 2020 survey from EisnerAmper, **60% of business leaders plan to let their staff continue to work remotely** post-pandemic. Only 8% will not allow employees to work virtually, and 32% are undecided.

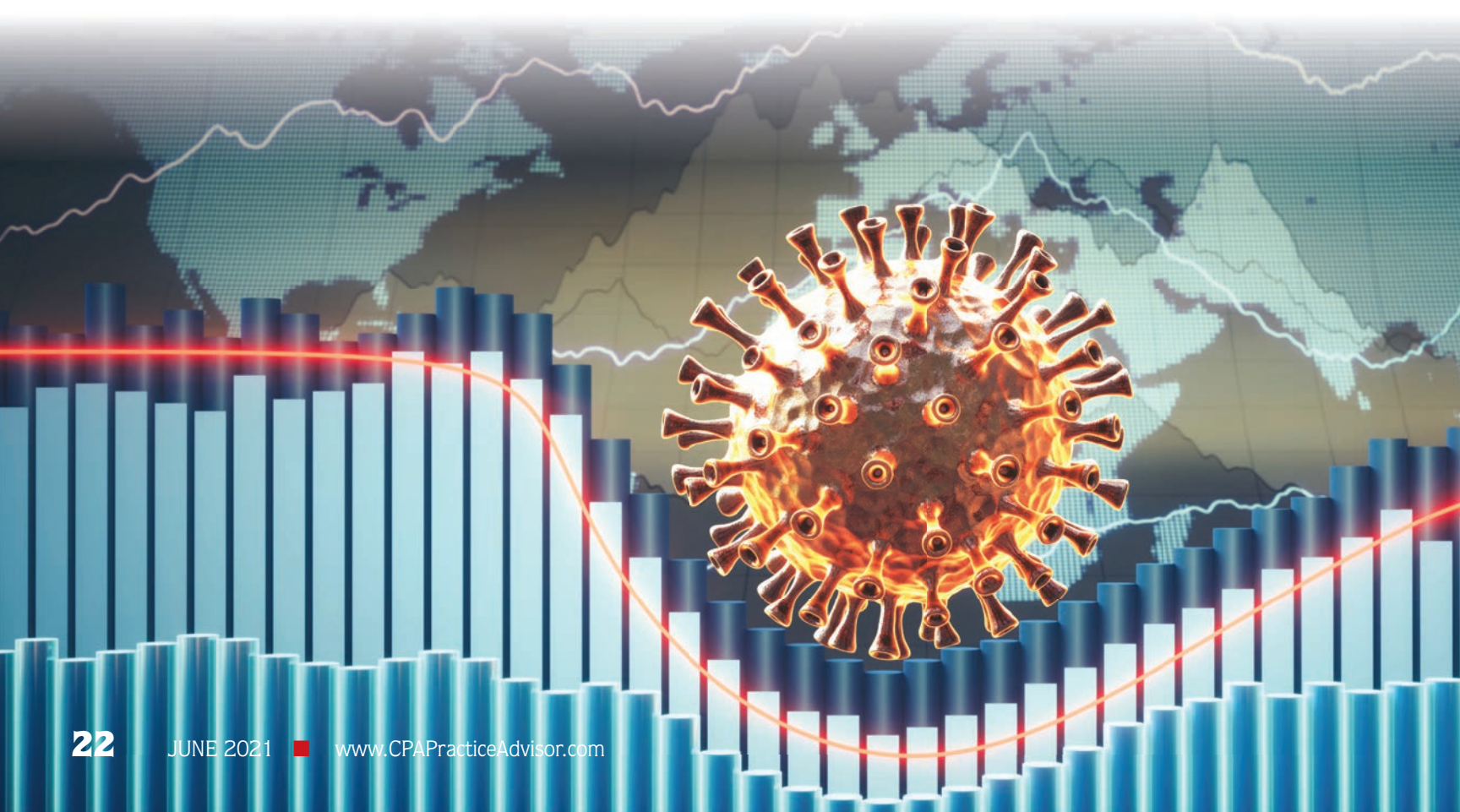
Embracing virtual work means firms are no longer limited by geography when looking for talent or new clients. With today's technologies, firms can work with people and businesses regardless of where they're located, allowing even the smallest firms to have a worldwide reach.

REINFORCING THE ROLE OF CPA AS A TRUSTED ADVISOR

For a while, there was a lot of talk about the work of CPAs being automated. The past few months

have shown that while automation can augment an accounting professional's skills, in times of crisis, clients don't simply want a tax return or financial statement — they want the trusted counsel that only a human advisor can provide.

Many people who handled their own books or filed their own tax returns in years past turned to accountants in 2020 and 2021 for help with their tax and accounting issues, including Paycheck Protection Program (PPP) loans, stimulus checks, new tax credits and early retirement account withdrawals. With more tax changes likely on the horizon, businesses and individuals will continue to need trusted advice, which presents an opportunity for CPAs to help more people and ultimately grow their firms.



-Mortem for 2021

By Richard Laviña

WHAT WENT WRONG

The IRS whirlwind of 2020 blew into the 2021 tax season, creating one of the most brutal tax seasons ever for many accounting professionals.

DIRE BACKLOG AT THE IRS

Although IRS employees continue to work tirelessly to manage the agency's workload, it's been an uphill battle to deal with:

- Pandemic-related staffing issues that crippled the agency's customer service capabilities
- Outdated technology
- A backlog of unprocessed paper tax returns and correspondence related to 2019 returns
- Congressional mandates to administer Economic Impact Payments (EIPs)
- Implementation of multiple provisions of the stimulus legislation

- The high volume of 2020 tax returns needing manual processing

As a result, taxpayers and their advisors continue to deal with longer refund delays and longer wait times on the IRS's toll-free numbers.

According to the Taxpayer Advocate Service, as of April 2021, the IRS had more than **29 million returns** on hold for manual processing, including:

- 8 million individual returns in suspense awaiting review and manual processing — mostly due to inconsistencies between the IRS's record of EIPs and the recovery rebate credits reflected on the taxpayer returns or taxpayers who elected the 2019 "income lookback" to calculate the earned income tax credit or the additional child tax credit
- 5.3 million individual paper returns from 2019 and 2020 awaiting manual processing
- 4.7 million individual returns with processing errors or fraud identification issues requiring responses from taxpayers
- 11 million business and other returns awaiting manual processing

In an Annual Report to Congress, National Taxpayer Advocate Erin M. Collins said, "the pandemic has pulled back the curtain on significant limitations the IRS faces with technology and with its workforce."

TWO NEVER-ENDING TAX SEASONS

In March 2020, the Treasury Department and the IRS announced that the deadline for filing 2020 individual federal income tax returns would be automatically extended from April 15, 2021, to May 17, 2021. Similarly, the deadline for filing 2019 returns was automatically extended to July 15, 2020.

While the change brought some

much-needed relief for taxpayers struggling to meet the original deadlines, it didn't help accounting professionals who were already stretched to the limit. Because the Treasury did not extend the deadline for first quarter 2021 estimated tax payments, preparers still had to put in the work of preparing 2020 returns to advise clients on how much they needed to pay for Q1.

WHAT NEEDS TO CHANGE

While Congress has provided a modest boost in IRS funding in the past few years, more will be needed to adequately fund the agency in order to upgrade its technology, hire and train more customer service and enforcement personnel.

Even if President Biden gets the **\$80 billion in IRS funding** he mentioned in his address to Congress, seeing real results will take time. In the meantime, consider taking steps to prepare for a better busy season next year.

IMPROVE FIRM PROCESSES AND TECHNOLOGY

Once the dust settles, hold a post-mortem with your team to discuss what went right and what went wrong in your firm. Discuss roadblocks your team encountered while working from home or in the office and what you can change to make tax season smoother in the future.

Look into technology that can automate part of the process, such as collecting client documents, inputting data, delivering tax returns, or collecting e-filing signatures.

Initiatives that consider both processes and technology can help you get work out the door faster, better serve your clients and increase revenues.

SPEND MORE TIME DOING WHAT YOU ENJOY

If the past two tax seasons have left you and your team feeling burned out, look for ways to address the cause of burnout, rather than just treating the symptoms. Recovering from burnout isn't as simple as taking time off in the summer because burnout is typically a systemic problem caused by low levels of autonomy, lack of support, and spending too much of your workday on tasks that you don't enjoy. We've all seen the spike in two-week notices that come in during the fourth quarter of each fiscal year, just before employees are hit with yet another busy season.

Find a way to spend more time doing the aspects of your job you're passionate about and look for ways to automate, delegate or outsource the rest. You may not need full-time help year-round, but you can **supplement your team during busy season**, and even into extension season, to reduce the burden on you and your team.

Every tax season has its unique challenges, but after back-to-back busy seasons made even more stressful by the pandemic, many accountants have reached their wit's end. Use that motivation to make changes that will improve your practice and decrease your stress level no matter what new challenges the next busy season brings. ■

Richard Laviña is the CEO and co-founder of consumer, small business and enterprise SaaS accounting-tech company Taxfyle.



2021 STATE OF ACCOUNTING STAFFING: Digital Transformation and Diversity

By Jodi Chavez

“TUMULTUOUS” MIGHT BE an understatement for what we all went through last year. In fact, 2020 set so many things in motion that in some ways it seems like we’re still playing catch-up, which is why in this article I’ll be revisiting two of them: digital transformation and diversity. Let’s look at the state of these two “D’s” in the accounting space, examine the fallout from 2020 and lay out some tips to help organizations succeed on the road ahead.

DIGITAL TRANSFORMATION: ALIGNING TECH INVESTMENT WITH DEVELOPMENT INITIATIVES

Along with COVID-19, fast-tracking digital transformation may have been the theme of 2020, impacting all industries — and that doesn’t look like it’s going to change any time soon. In fact, global investment in digital transformation projects, which netted out to an impressive \$469.8 billion in 2020 (according to a recent study published by MarketsAndMarkets.com), is expected to surpass the \$1 trillion mark by 2025.

The accounting space is in no way immune from this kind of disruption, of course. Yet at many organizations, there does seem to be a lingering sense of ambivalence as well — and often, it extends all the way to the top of the chain of command. For example, one study from AppZen and CFO.com Research found that while the majority of CFOs say they’re fully open to adopting the latest digital technologies, 82 percent of them are concerned that cultural factors within their organizations might stand in the way of their ability to implement automated technologies, workflows and more. (Interestingly, nearly the same number — 79 percent — were worried about the impact of these technologies on their own job security, according to the same survey.)

With all of that in mind, however, now might be a good time for accountancies to hit the pause button on their digital investments and check in with their workforces. Just think of it as your overall-digital-readiness audit. What are your strengths from a human capital standpoint? What skill areas do you have in

abundance — and what competencies will you need to cultivate going forward? Finally, is everyone on the team willing to commit to upskilling and reskilling where necessary to make the journey a success?

This last question, in particular, can help align everyone on your team, while also assuaging any fears they might have. Needless to say, it might in turn force you to enhance the reskilling, upskilling and development programs you offer to your team — and if so, that’s a good thing. After all, the benefits will be twofold:

- Best-in-class internal reskilling, upskilling and development programs allow you to proactively build out competencies for the future based on resources you already have today. You’re maximizing the value of your human capital, in a nutshell.
- These programs can be a differentiator for your employer brand over time as well. Now, in addition to having stronger team members, recruiting and hiring just got a little bit easier, too.

This is a smart move on so many levels, particularly in the accounting space, given the all-round competitiveness of the hiring market right now (especially if you’re hiring for one of today’s most in-demand accounting jobs, <https://tinyurl.com/hvtr&xdk>). As many organizations are finding out the hard way, looking externally every time you need to add a key competency often amounts to a cost-prohibitive, time-consuming proposition of late.

DIVERSITY: BUILDING LAYERS OF ACCOUNTABILITY

Digital transformation aside, what’s the state of diversity at accounting firms in general

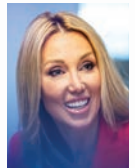
today? There was certainly a lot of talk around enhancing diversity and inclusion (D&I) in the accounting space last year, but what about action? Namely, what can accounting firms do if they’re struggling to move the needle?

A few tips from my experience as a human capital leader:

- Ensure you’re starting with an appropriately diverse talent pool. This sounds obvious, but you’d be surprised how often the process gets undermined in these early stages. The right inputs lead to the right outputs.
- Analyze your end-to-end hiring process and introduce accountability checks wherever possible. Having this added level of transparency during the execution stage is key.
- Hiring diverse talent at the leadership level is often an important first step. This might sound counterintuitive, especially if you’re looking to significantly increase the number of employees from underrepresented groups at your company. But hiring at the top first, and then working down, can effectively send the message that you’re serious about your commitment — and from there, it should help you attract more diverse hires down the line.

As any industry veteran will tell you, this is one area where we all need to do better. Women, and women of color in particular, remain underrepresented in the financial services sector, according to the latest data from McKinsey (<https://tinyurl.com/2ez746j6>). However, I remain optimistic that better hiring processes — and when needed, working with better-aligned talent partners — can lead to meaningful change. For now, I hope the tips and guidance I’ve shared will help you deliver on your D&I goals and lead to more equitable accounting workforces for all. ■

Jodi Chavez oversees the field organization and provides strategic direction for Randstad Life Sciences, Randstad Professionals and Tatum.



STUCK IN THE MIDDLE

By Chris Kiehn

ACROSS THE WORLD last year, CFOs at many mid-sized companies realized that the traditional manual accounting processes that they relied on to provide visibility into business performance and customer demand were not effective. Manual processes and disparate systems impaired their ability to quickly revise strategy and operations to account for disruption.

In many instances, real-time financial data was unavailable or came too late to pivot the organization to moderate the impact on revenue and pursue alternative growth opportunities.

Without real-time data, CFOs at mid-sized companies risked making uninformed business decisions, making the ramifications of disruption even worse. Alternatively, CFOs at many large and even small companies experienced less difficulty in operationalizing accounting and finance despite changing environments.

The reason, according to a global survey commissioned by Capstone Insights, is that large organizations generally have the resources and headcount to invest in robust finance and accounting processes and automation solutions. And small organizations, by virtue of their size, have better visibility into and understanding of their data at all levels.

According to the survey of more than 1,500 professionals working in finance, accounting, and executive management, mid-sized organizations (with revenues between \$100 million and \$749 million) lacked smaller companies' clear line of sight and larger companies' scale and established processes, making it harder to address the increasing complexity brought on by the pandemic.

GROWING PAINS

The survey findings emphasize what has long been a challenge for mid-sized companies. Such organizations are strategically driven to invest heavily in market growth opportunities, and much less so in the processes and technology needed to attain operational excellence and dexterity.

Nearly two in three (63 percent) of the Capstone survey respondents said that they rely on spreadsheets and manual processes to perform the month-end close.

Instead of allocating more of the budget to back office technology, money is earmarked to enter new geographic regions and hire sales and marketing professionals to generate fast revenue.

While one can understand the logic in this decision, insufficient investments in operations can undermine the strategic goal of scaling the business. A case in point is that many mid-sized companies struggled to adjust to a virtual close because they were dependent on spreadsheets, institutional knowledge, and in-person communication.

Nearly two in three (63 percent) of the Capstone survey respondents said that they rely on spreadsheets and manual processes to perform the month-end close. For example, collecting important financial data and continually sharing this information back and forth with colleagues via email or through a shared drive. According to the survey, manual processes resulted in version control and accuracy issues during the month-end close.

"Finance and accounting professionals find themselves stuck chasing down errors, reconciling data, and trying to make decisions based on an assortment of often incomplete and/or inaccurate data," the survey stated. "Continued reliance on manual processes puts organizations at a competitive disadvantage. ...Deploying tools to automate the finance function should be high on the to-do list."

NAVIGATING UNCHARTED TERRAIN

CFOs at many mid-sized companies acutely felt this disadvantage when the pandemic hit. Hampered by manual processes and spreadsheets, finance chiefs were unable to access real-time financial data to interpret complex demand fluctuations, as the board of directors ramped up the pressure to provide an accurate picture of company performance.

In 2021, this pressure has not subsided, according to a January 2021 survey by BlackLine of 1,300 C-level executives and finance and accounting professionals in the U.S., Canada, United Kingdom, Germany, France, Australia and Singapore. More than one-quarter (28 percent) of the respondents

remain worried that the finance function will be unable to provide accurate data quickly enough to respond to continuing market volatility, with four in ten (39 percent) respondents expressing concerns over their collaborations with external auditors.

The irony is that most CEOs believe their organization's financial data is accurate, whereas those closest to the numbers in the finance and accounting function express skepticism. Only 35 percent of finance and accounting professionals completely trust the accuracy of their organization's financial data, compared to 81 percent of C-level executives, according to the BlackLine survey.

When asked why they distrusted the data, the finance and accounting professionals said the main reasons were "clunky spreadsheets" and "outdated processes."

The Capstone Insights survey came to a similar conclusion. "Manual processes increase the risk of inaccurate or incomplete data on which important decisions are made. Spreadsheets and manual data reconciliation take up too much time and are more prone to error and lack of control, given the human element."

A MORE STREAMLINED CLOSE

Ultimately, the responsibility is on CFOs to elevate the importance of accurate data and related access to effectively respond to a business crisis. Relying on manual processes and spreadsheets increases the risk of imprecise and delayed data, slowing down a decisive response when disruption occurs.

Leading practices for ERP integration, workflow management, automated reconciliations, close task tracking, reporting, and more, allow CFOs to dramatically reduce time-consuming manual workloads that delay reporting, and shift their focus to strategic business initiatives.

Companies of all sizes must adapt to the business realities imposed by continued disruption. As CFOs lead their organizations to become more data-driven and analytical, the companies will be positioned to make effective use of scenario planning and other forecasting exercises, strengthening their strategic growth plans, operational excellence and financial statement integrity. ■

Chris Kiehn is Senior Global Vice President at BlackLine, a provider of automation solutions for finance and accounting.



3 Tips for Finding Remote Staff During Covid

By Josh Lance, CPA, CGMA

FOR MOST TAX and accounting firms, COVID-19 has been a significant catalyst for change. While some firms may not have thought about having remote employees before March 2020, many have adapted to having their employees work remotely from home. Hiring employees who may never set foot in your offices requires a recruitment process that is radically different from how you have typically found and hired employees. Here are three tips for finding remote employees.

TIP #1:
**REDEFINE
YOUR
EMPLOYEES**

Finding and hiring employees the traditional way will not necessarily work when you look to hire remote employees. Traditional recruitment channels may result in finding

employees who are best suited for working in an office environment. When hiring remote employees, you need to first start with redefining the job description and the type of candidate you are looking to attract for that position.

Your job description should highlight key attributes that a remote employee would need to have in order to be successful, including organizational skills, time management, and the ability to work with less direct supervision. Remote employees also need to be excellent communicators. Working remotely routinely requires employees to proactively communicate in a variety of ways and to be able to successfully communicate asynchronously with your co-workers as you both may not be working the same hours.

The job description should not only note that this job is for a remote position, it should also describe how your firm handles managing remote employees, whether there is any required travel to your offices, and any additional perks specific to remote work, such as a stipend for their home office. Having your job description focused on how your company handles remote work will allow potential employees to get a sense of what to expect when working remotely for your company, and make it more likely to attract the employees you are trying to hire.

TIP #2:
BROADEN YOUR SEARCH CHANNELS

When finding potential remote employees for your firm, it's important to look beyond your normal search channels. If you typically post on traditional job boards or recruit through local headhunters, you will

need to change how you advertise your remote position. Those more traditional channels will likely yield local candidates, but does not get your position out to those looking for remote work.

Posting your position on remote-only job boards, or using social media to get your position out to various groups or individuals across the country can yield better results and broaden your search base. A search channel that you might not think to utilize is networking with your peers -- one of the best ways to find remote employees is by talking to other firms and firm leaders. With firms looking to hire across the country, you may be able to find qualified candidates who might not have been a good hiring fit at another firm.

Maybe a firm is only looking to hire in-office positions, but during the search, the firm may have found some qualified candidates that could only do remote work. By discussing your hiring needs and preferences with other firms and their leaders, you may be able to find talented candidates that fit your firm better.

In my firm, we have hired exceptional candidates I found by talking with other firm leaders. While you may think another firm is not just going to hand you resumes of qualified candidates, the reality is that every firm is different, and every firm's hiring needs are also different. With this approach, you'll get the added benefit of having that firm qualify a candidate and understand what that candidate is looking for.

TIP #3:
UP LEVEL YOUR INTERVIEW PROCESS

In trying to find and identify the right employees for your firm, your interview process needs to change



to ensure that you are bringing the best talent into your firm that can succeed in a remote environment. Beyond the normal interview questions, your interview should also cover several other items:

- **How will this candidate function without direct supervision or having an immediate supervisor always available to answer questions?** Remote employees may be working hours that are different from each other and, as a result, good remote candidates should have the ability to complete their tasks without someone always checking in on them. In addition, they should not leave work items to the last minute in case they run into issues and their supervisor isn't immediately available to help.
- **What is their remote work environment like?** Having a dedicated space to work every day that is mostly free from distractions is important. Another aspect to their environment is security, as they will likely be handling confidential information. Having a workspace that is in a common area or can be accessed by roommates, for example, may not be the best situation for a good remote work environment.
- **Do they already have experience working remotely?** While they may not have worked in a remote position before, they may have had experience working from home, if only

occasionally. Understanding their prior experience may give a glimpse into whether these candidates would be good fits for your remote positions.

These additional interview questions are important because the answers can help determine if the potential hires would work well in a remote position. Not everyone is cut out to work remotely, so by focusing part of your interview on these areas, you can gain necessary insight into whether they would be a good fit in a remote position.

EVERY FIRM IS DIFFERENT

Hiring for great talent is hard in general, but can be harder when trying to hire for remote work. However, by redefining your job description, broadening and focusing your candidate search, and expanding your interview process, your firm may find better candidates and better success in your hiring process.

Remember that every firm is different, so hire candidates based on your own set of core competencies and strengths. ■

Josh Lance, CPA, CGMA, is managing director of Lance CPA Group and head of accounting at Practice Ignition. He is an adjunct faculty member at Northwestern University and University of Vermont.

QuickBooks Online Innovations: What You Need to Know

WHILE YOU'VE BEEN busy taking care of your clients and possibly getting ready to return to your office, Intuit has been hard at work developing new product features to help make your life and your clients' lives easier. Here, we've included highlights of the latest and greatest QuickBooks Online product features over the past year.

BILL PAY

The new Bill Pay feature by Melio is an upgraded, embedded bill payment capability now available to U.S. customers. With this new feature, you or your clients can better manage cash flow by offering the flexibility to make payments directly from QuickBooks and decide how vendors receive payments. Learn more at <https://tinyurl.com/msbvttrj>.

TAGGING

With custom tags, now available to all QuickBooks Online accounts, your clients can start tracking the most important information about their business, such as understanding where they are spending money and how they can be more profitable.

Tags are customizable labels that lets your clients track their money to gain deeper insights into their business. They can add tags to Money In and Money Out transactions, such as invoices, expenses, and bills, to help them understand where they make and spend money. Tags don't impact the books; they're simply labels that track different types of data, without having to touch the chart of accounts. Learn more at <https://tinyurl.com/5fv5wvrey>.

MONTH-END REVIEW

It's always a rush to fix unresolved transactions, generate reports, and complete other month-end tasks. To help close your clients' books with more accuracy, we have rolled out new enhancements, such as automatic error detection, so that accountants and bookkeepers can consistently deliver high-quality books in less time. This feature is only available through QuickBooks Online Accountant. With integrated progress tracking, firm managers can also gain visibility into their bookkeeper's progress and have confidence that the books are compliance ready:

- **Statement auto-import:** You can now view downloaded bank statements across bank and credit card accounts in one place.
- **New error detection:** Undeposited funds (in Transaction Review tab), AR +90 days, and AP +90 days (in Final Review tab).

PAYROLL INSIGHTS

A new dashboard in the Clients section of QuickBooks Online Accountant provides a centralized view of all your clients' payroll activities, from set-up to tax filings, without having to go to a client's individual account to get the information. Learn more at <https://tinyurl.com/475sdnbp>.

QUICKBOOKS COMMERCE

This business management platform is designed to help small businesses attract and sell to new customers across multiple e-commerce channels, including online storefronts, marketplaces, and POS systems. It gives QuickBooks customers one integrated platform to centrally run and manage their small business on, and allows them to access the same cloud platform capabilities that bigger companies use to manage omnichannel sales. Learn more at <https://tinyurl.com/4vdpaw4f>.

ADVISORY TRAINING FOR PROADVISORS

ProAdvisors looking to expand their skills and offer advisory services can now sign up for advisory on-demand training. You can complete this multi-part series at your own pace, gaining advanced insights on how to successfully advise your clients.

The topics covered include how to best frame your advisory work, deep dives into the core of advisory practice, and taking your advising skills to the next level. To get started with this free training, sign into QuickBooks Online Accountant. Learn more at <https://tinyurl.com/4apkw6ek>.

QUICKBOOKS ONLINE ADVANCED

Earlier this year, we integrated QuickBooks Online Advanced with QuickBooks Online Accountant to enable you to gain deeper insights into your firm's performance, more efficiently manage work within your team, and spend less time on bills and expenses. These features will be in addition to the functionality already available, and will not impact your data or existing processes. Some QuickBooks Advanced product features include the following:

■ **Performance Center.** Monitor your clients' business health in real time by calculating key ratios and metrics, and visualizing your client's financial

performance, automatically. The formulas and charts are created for you right inside QuickBooks, giving you the crucial data needed to have more influential discussions with your clients that will help them grow and become more profitable. In addition, the industry benchmarks feature lets you see how your client compares to their peers. Even better, accountants can view the performance center - an Advanced-exclusive feature - for all clients regardless of their version of QuickBooks Online. Learn more at <https://tinyurl.com/3a47ua28>.

■ **Enhanced Custom Fields.** Custom fields make it easy to track the information that's most important to you and your clients. Now, a new interface offers more flexibility for managing, editing, and reviewing custom fields. With the new interface, you can choose a combination of sales and expense forms to show custom fields. You can also choose a combination of sales and expense forms with Customer custom fields, as well as with Vendor custom fields. Learn more at <https://tinyurl.com/4527vwx4>.

■ **Tasks and Workflows.** The task manager is your one-stop shop to track your pending tasks, starting with approvals and custom tasks. As a manager or accountant, you can also delegate tasks to relevant users from within QuickBooks directly, and view the status of the tasks in real time, making it easy to collaborate with colleagues. Workflows help you spend less time on repetitive work by creating automated and easy-to-follow processes. You can use existing workflow templates to automate common activities, such as routing invoices for approvals or sending payment reminders, or create your own workflow for client-specific processes. Learn more at <https://tinyurl.com/5k8scjsv>.

■ **Custom Roles and Sales Roles by Location.** Custom roles in QuickBooks Online Advanced is designed to give your team specific access to the data they need. Now, Sales Roles by location will empower your sales team with the information they need to get more done. Sales users can create estimates, invoices, sales receipts, credit memos, refunds and more for their own books of business directly from QuickBooks Online Advanced.

For even more product updates, check out the product updates page at <https://tinyurl.com/584unsyd>, and join the monthly In the Know webinars at <https://tinyurl.com/nf5ft9h5>. ■

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Finance Leaders Depend on Business Intelligence to Drive Change

By *Chen Amit*

IN THE WINDFALL of the pandemic, high-performing accounting teams have adapted their operational mindset. These forward-thinking leaders have elevated their roles from process administrators to strategic partners that provide tangible, data-driven insight. These financial professionals are agents of change—individuals who consistently promote modern approaches to drive business transformation.

Business intelligence is built from real-time data and increased financial visibility, and agents of change utilize these insights so that their clients can flourish. These financial envoys spearheaded the increased adoption of technology in 2020—they understood what their clients needed to support fluctuating demands in an uncertain time.

By eliminating outdated business frameworks, designing new strategies, and promoting necessary change to future-proof operations, finance leaders today know that business intelligence can help their clients make educated decisions based on historical and present data within their organization.

With the business strategies of 2019 now antiquated, financial agents of change have fully departed from previous responsibilities. They're strategists—providing real-time financial data to clients to make better, cost-conscious decisions.

THE POWER OF STRATEGY

The pandemic urged leaders to evaluate their priorities and goals by adjusting previous strategies. And none felt this more than finance. Budgets, investments, operational efficiency, business opportunities, and cash flow analysis were critical for increased success, and accounting teams were challenged to find new ways to support these goals.

During the pandemic, accounting teams “leaned in” to technology adoption to radically transform their client’s business structure. They built new strategies based on realistic, measur-

able, and timely outcomes and prioritized the importance of providing clear and accurate data that was easily accessible.

These financial leaders were proactive, not reactive. They created strategic roadmaps by collecting relevant, real-time financial information and found ways to increase operational efficiency while reducing costs. They acted as partners—analyzing current data points to provide clear insights to their clients.

DATA INFLUENCES DECISION-MAKING

Agents of change know that data and analytics help organizations run smoothly and efficiently. Business intelligence transmits raw data into compelling findings, and the increase in numbers provides a clear picture of how a business is actually operating.

To modernize processes, accounting teams need to integrate the best tools and technology into their client’s operations. And the best solutions are the ones that offer 24/7 access to analytics.

It’s no secret that in a technologically advanced world, data influences decision-making. Financial awareness creates the operational framework to help clients improve and elevate business controls. Data allows accounting teams to focus on critical initiatives and projects that cement future success and drive their client’s mission forward.

Finding strategic solutions for client pain points is imperative in modern-day business.

And the right technology facilitates this process. During these unpredictable times, technology helps clients meet their goals.

For agents of change in 2020, it was proven that they needed to adapt—fast. The accounting team found that to thrive, they had to expect the unexpected. Teams that fully utilized business intelligence set the bar in modern finance. They had the information they needed to strategize effectively through increasing unpredictability.

THE COST-BENEFIT ANALYSIS OF AUTOMATION

To elevate business success for the future, finance leaders will likely find themselves strategically implementing new technology. The accounting team is responsible for providing clients with tangible insights to help them understand the exact implications of their actions. Technology is their strategic partner—delivering vital information in ways that are understandable across the board.

Plus, business intelligence is beneficial in analyzing the market competition—utilizing data and insight to certify an advantage over competitors. And operationally, the automation of processes increases efficiency by eliminating a heavily manual workload, reduces financial close time, and improves the overall reporting process.

When the pandemic swept the world, the accounting teams that prospered were the ones that modified their strategies immediately. Agents of change have this mindset always—not just in times of crisis. They are constantly optimizing to ensure their clients have the right solutions to adapt to growing demand. To set themselves up for success, agents of change rely on data-driven business intelligence to influence results and forecast for the future. ■

Chen Amit is co-founder and CEO of Tipalti.



A Guide to Earning and Managing CPE Credits

By Jason Schow

EARNING AND EFFICIENTLY managing CPE credits is an essential skill for an accountant. You have to decide which courses to take, make sure they meet the necessary requirements, work them into your schedule, report them and then make sure you are always up-to-date. This can be confusing, especially if it is a new obligation for you.

CPE CREDITS

CPE stands for “continuing professional education” and is a requirement when renewing your CPA license. CPE standards are set by each state’s board of accountancy, so the number of required credits and the reporting periods may differ.

Each state board can provide details about the type of CPE credits needed to maintain a CPA license, and they may even link to approved providers. NASBA (National Association of State Boards of Accountancy) credits are always accepted to an extent, but some states may have additional requirements or limitations.

Each state’s board of accountancy can provide state-centric information.

CE CREDITS

CE (continuing education) are credits for enrolled agents (EA). These professionals are required to earn 72 hours of CE credits every three years to maintain their status. At least 16 of those CE credits must be earned each year, and two of them need to be in ethics courses.

The classes and the providers must be approved by the IRS in order to qualify for credits. When an enrolled agent completes an IRS-approved CE course, the provider reports to the IRS on the EA’s behalf.

IN-PERSON AND ONLINE CPE COURSES

IN-PERSON

In-person CPE courses are especially suited to topics that you have a lot of questions about. It also enables networking and some people just prefer a live setting with a more structured classroom. On the other hand, in-person courses often require commuting or travel with a limitation on the available locations, where the ideal class can be far away. You are also dependent on the CPE provider's schedule with no flexibility on dates and times.

ONLINE SELF-STUDY

With an online self-study CPE course you have control of when you attend a class and for how long. They can also be accessed anytime from anywhere in the world – all you need is an internet connection. With online self-study courses you can also progress at your own pace, spending the time you need on each topic. If there is a concept you want to revisit, you can simply go back to that part without interfering with the instructor or inconveniencing classmates. There's no limit to the specific topics you can access with online self-study classes, so you have the luxury of selecting the courses that will serve you best. Additionally, you'll have easy access to classes from industry-recognized thought leaders.

The downside of online self-study CPE courses is that they require more self-motivation and self-discipline to complete. Because there is less accountability than attending an in-person course, you'll need to make it a priority to log in and go through the course so that you finish it on time.

LIVE, ONLINE COURSES

For those that don't want to travel but have a hard time self-motivating through an entire course, there are also CPE courses online, live and done via webinar. These generally require formal interaction like questionnaires, surveys, polls and quizzes to ensure

that you are present and listening. This type of course is structured, and does not require as much personal organization.

FEES

Free courses can be attractive and the best option for you, but will obviously contain some limitations. Few organizations provide their most valuable information for free, so the free courses are usually not on topics that are in high demand and may offer a lower quality experience.

When it comes to paid CPE courses:

- They are more likely to be on topics relevant to your needs
- The production quality of paid courses presented as webinars is generally better, with fewer technological glitches.
- Are often presented as paper-based, or self-study books that end up bringing the course cost up
- They may include features that you don't necessarily need or want like access to reference materials or discounts on related CPE courses that you may take in the future.

There are an increasing number of high-quality, low-cost CPE courses coming to the market each year. A number of innovative companies offer relevant, efficient, and educational CPE courses taught by industry-leading experts for free or at reasonable prices.

HOW TO CHOOSE A CPE PROVIDER

A CPE provider is central to the success or difficulties you will experience in a course. Without a good provider, you may struggle with many aspects of the course, from wading through an inefficient presentation or digital textbook to leaving the course with more questions than answers. Above all, the technology must enhance the CPE courses and your learning experience.

Here are five elements of a course to look for:

- **Content quality:** The content of the course must absolutely be current and relevant to ensure that you have the latest information available.
- **Top instructors:** The best instructors go beyond reading slides of information. They are engaging, experienced and highly qualified to teach you what you need to know. Blending real-world experience with the latest information, instructors are a key component of quality CPE courses.
- **Reasonable cost:** High cost doesn't automatically translate into high quality. There are plenty of affordable CPE courses that will meet your needs.
- **Certification:** A lot of providers offer courses that don't offer national certification. Without being approved by a reputable national body, the courses are not worth your time and will not satisfy your licensing requirements. Always look for courses that are approved by NASBA or by your state's licensing body.
- **Reporting:** Providers of the best courses provide a certificate of completion so you can easily report your credits to your state.

MANAGING YOUR CPE CREDITS

Staying up to date on your CPE credits is extremely important since if you fall behind, and thus are unable to renew your license, this can seriously impact your ability to do business. Developing a strategy to stay on track with your CPE credits may be a good idea to avoid any possibilities of missing any deadlines or obligations. You should make sure you know:

- How many credits you need
- When you need to earn them by
- Does your state have an annual minimum number of credits?
- How many credits you already have

Good record-keeping is essential. As you plan the year ahead, you can take note of the courses you are interested in based on location, cost, topic, and style. You can then schedule those courses in advance.

If you want to go beyond a personal spreadsheet or calendar, tracking software is available to help you keep track of this information. When you have finished a course, you can simply input your information on reporting requirements, and indicate how many credits you have earned. If there are several CPAs at your firm, you can organize databases for multiple people and years.

One of the hardest parts about CPE courses is simply finding the time to do them. It can be a good practice to reserve a specific amount of time once a week or even taking a day off once per month to study.

LAST-MINUTE CPE OPTIONS

If one year you are late with your credit earning, there are usually some courses offered at the end of December or even in the first few weeks of January that can be counted to reach the required number of credits. It may be difficult to earn a lot of credits in a short period of time, but you may find a part-day or all-day course that will deliver what you need.

CPE credits are a necessary part of being a CPA. Without having a good grasp on how to effectively manage these credits, you can waste a lot of time and money. It is worth taking the time to plan out your year in credits so that you don't find yourself in a last-minute situation trying to figure out where you stand. ■

Jason Schow is Lead Product Manager at Canopy.

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Looking for Outstanding Free Year-End CPE? Look no further CPA Practice Advisor's Ensuring Success event. December 8-9, 2021. www.ensuringsuccess.com

Is a Niche Marketing Strategy Possible for Small Firms?

By Jean Caragher

ADDING AND RETAINING new clients remains a top priority for most CPAs and accountants. Niche marketing remains the most effective strategy to do so. This has become even more apparent since the pandemic. Clients in every industry have been impacted and need solutions from CPAs and accountants with specialized knowledge of their industries. As a leader of a small CPA firm, you may ask yourself, "Will a niche marketing strategy work for my firm?" The answer is "yes" if you start with these three steps.

FIRST:

CONDUCT A CLIENT ANALYSIS.

Segment your clients by SIC or NAICS codes. Then, for each industry, calculate the gross fees, net fees, realization, average fees billed, average hours billed, average billing rate, and number of clients. Also, analyze your client base by sales volume, geographic location, and services provided.

Graph this information to give an accurate picture of your client base. This will show you in which industries you are spending the most time, earning high fees, experiencing high collection rates, offering a variety of services - all opportunities for niche market development. It will also show unprofitable industries, those you should avoid.

SECOND:

IDENTIFY YOUR CHAMPION.

Without a champion you do not have a niche. The champion must be a person with influence, but does not have to be a partner. One possibility is a manager who is interested in building his or her future in the industry and becoming a partner in the firm.

THIRD:

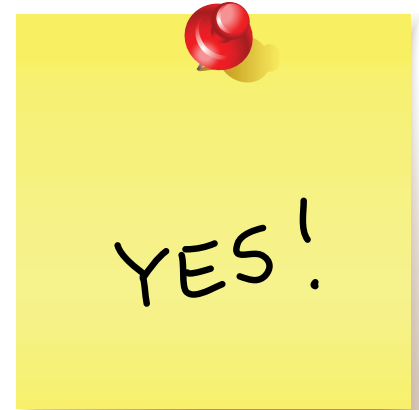
CREATE YOUR MARKETING PLAN.

The plan should start with your firm's mission, vision, and core values. The mission statement is your firm's basic purpose, why you do what you do. The vision for your firm is where you see your firm in the future, including net revenue, number of employees and offices, and new products and services. Core values are the essential and enduring beliefs of your firm.

The situation analysis includes:

- Description of niche
- Description of target markets
- Growth trends
- SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis
- Client analysis
- Competitive analysis
- Current services
- New service development

Then, your goals need to be SMART - Specific, Measurable, Attainable, Realistic, and Time-Bound. The marketing plan should include three-year goals for the firm, revised annually. Each niche area should have one-year goals, reviewed quarterly. Specific strategies are then identified to achieve your goals. Make sure your goals and strategies state the specific tasks, deadlines, and those



responsible for making it happen.

Organize your niche marketing around:

- where you network,
- where you speak,
- where you exhibit,
- where you target your inbound marketing campaigns,
- whom you invite to webinars,
- where you are an active member,
- where you advertise, and
- where you are published.

Finally, determine the budget necessary to implement your marketing plan and monitor it closely.

There is more involved with establishing and executing a niche marketing strategy, but these three steps will get you started. ■

Jean Marie Caragher is president of Capstone Marketing, providing marketing consulting services to CPA firms. She is the author of The 90-Day Marketing Plan for CPA Firms: How to Create the Roadmap for Your Firm's Growth and Gear Up for Growth: The Marketing Trends Manual for Accountants. For more information contact her at 727.210.7306 or jcaragher@capstonemarketing.com.

POST-PANDEMIC PRIORITIES: Reassess Your Target Markets

By Jennifer Marsnik, Edge Marketing, Inc.

YAY! AT LONG last we are finally seeing light at the end of the pandemic tunnel. With increasing vaccinations, many accounting firms, technology companies and service providers are slowly moving back from remote work to in-person environments. But are we really going back to normal? In some ways, yes. In other ways ... not exactly.

As we navigate our way toward what will surely be a new normal, now is a good time to pause and recognize the things that may have changed permanently.

Reevaluating current conditions starts with a self-assessment. Questions to consider may include:

- What has changed with respect to your organization's goals/objectives, its priorities, its values and its mission?
- Have any road maps or expansion schedules been altered? Are they simply delayed, or have they been modified significantly?
- Many firms and companies were forced to adjust their service delivery operations last year – will any of those changes be adopted permanently?
- Were impacts to your 2020 marketing and PR budgets carried over to this year, and how is that informing decisions for the remainder of this year and for 2022?
- Does your department or the team you rely on to help execute strategies and tactical plans look different from the resources you had in place pre-COVID-19?

After taking an honest look at your own situation, consider the market at large. Remote work and various aspects of dealing with the

pandemic have dominated conversations for more than a year, but as we move forward, what trends are getting attention now?

What areas have seen an uptick in activity? One example might be the increase we've seen in PPP services and support over the last year, but will that continue or will the need for this service go away? Cloud technology usage, remote offices and meetings and virtual or hybrid trade shows are prevalent adaptations to the pandemic. Now is a good time to think about where we've seen accelerated technology adoption to ensure smoother and more efficient communication, operations and promotion. Which of those trends are here to stay?

After looking inward and at the broader market, it is also crucial to reassess your target audience(s) and understand how the pandemic has impacted your clients and prospects. What has changed for them?

As with your self-assessment, there are some key questions to consider with respect to your targets:

- Are their priorities and pain points the same as they were pre-COVID-19?
- Have they modified operations or how to deliver products or services?
- What technology or resource

changes did they adopt to support remote work?

- Are they back in offices or still working remotely?

An important question to consider is not just which of those changes may be permanent, but whether or how those changes will influence the buying process. Are the same departments or individuals as before still influencers or responsible for the same level of decision-making? Many organizations have modified their purchasing and operations protocols, so understanding how this might affect your sales or marketing efforts is especially important.

Essentially, now is the time to reexamine everything you know about your target audience(s) so that you can reassess your own public relations and marketing strategies based on the changes your audiences have experienced.

To ensure you're still reaching the right targets with the right messaging and using the right channels, start with some basics:

- Revisit buyer personas:
 - Who are you talking to, and are they the same people as before?

- Are your buyer demographics different?
- What are their responsibilities and have those changed?
- How do they define success in their roles?
- Has your value proposition changed?
- Do your key messages still effectively communicate your value proposition, and do they resonate with target audience(s)?
- Are the channels used to communicate with your audiences the same as pre-pandemic?

For some organizations, perhaps very little has shifted. But for others, going through this exercise may uncover a number of adjustments that are necessary to keep your marketing and PR strategies successful through 2021 and beyond. ■

With Edge Marketing (formerly Accounting Edge Marketing) since 2007, Jennifer Marsnik specializes in helping clients develop and implement strategic plans that support their overall business goals. She lives in the Twin Cities area with her husband and two daughters and enjoys golf and cheering on the Twins, Vikings and U of M Gophers.

What to Know When Measuring Your Team's Productivity

By *Shahram Zarshenas*

THANKS TO THE dawn of the digital era and modern technology, the business landscape continues to shape and shift in unprecedented ways. Entrepreneurs across industries leverage various tools to upgrade their practices and systems, ensuring that progress and productivity are always prioritized.

With the development of tools and platforms come the smartphones and social media world, however, which has effectively blended personal and professional lives. Drawing the line has become rather hard to do, and unfortunately, this is causing a problem regarding employee productivity.

And now comes the new challenge—how can employers effectively measure their team's productivity daily? While micromanaging is believed to be the best way to do so, it's important to remember that your employees are people too, and in the accounting landscape where talent is needed, you'll want to keep them as happy as possible.

To help ensure you get the most out of your productivity measuring plans, here's a quick and easy guide to follow:

UNDERSTAND THE PEOPLE: THINGS TO REMEMBER

- **Instead of measuring hours and days, measure the tasks at hand**

In a highly digital environment, the lines between personal and professional lives are steadily becoming blurred. Overlapping is a reality all employers must face, and the age of micromanaging must come to an end. Forcing your employees to stay away from their personal lives should be out of the question and instead, encourage them to focus on the tasks. If the work gets done, then you have nothing to worry about.

So long as your accounting workflow is honored, papers are worked on, and clients are happy, you will have had a productive day. Break down the work into tasks, and assign them accordingly until all projects are completed. From there, you can get rid of anything that could cause further stress and issues.

- **Allow your team's results to tell the story of productivity**

Anchoring on the first item, it's best to focus on the results. It's the most important element that indicates employee productivity. Make sure to constantly ask for feedback among your employees, but never forget about your clients.

Attain as much information as you can regarding the customer journey they've experienced. What works well will continue to work, and as long as you're seeing results that keep the company thriving, you're working with the right people.

- **Never lose sight of your company goals**

Measuring your team's productivity is crucial, but it's important to sit back and remember—what are you trying to accomplish? Keep your goals in mind, as this is how you ensure that the entire team is focused. If you're hitting goal after goal, and objective after objective, you're on the right track.



WHERE TOOLS COME IN

When it comes down to actual measurements, however, you may want to invest in the right tools. A tracking system allows you to keep a tab on your employee's productivity levels, all without trying to seem intrusive. Here, you'll be able to use a system that tracks tasks and projects, and not your employee's day. In doing so, you also see what aspects of the work take too much time, and how you can further improve the practices in place.

INVEST IN THE BEST CPA PRACTICE MANAGEMENT TOOLS

Your ability to measure employee productivity in the workplace is critical to your firm's success, but remember that how they spend their time doesn't always guarantee success. The best way to see productivity is by looking at the results—down to the last detail. If it's promising, with satisfied clients and organized files, you're on the right track. ■

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6 Essential Measurements of Firm Culture

FIRMS SPEND A significant amount of time and money creating a company culture that helps employees feel supported and drives results. In recent years, forward-thinking firms have focused on creating growth cultures rather than performance-based cultures. What's the difference? In a Harvard Business Review article, Tony Schwartz, president and CEO of The Energy Project and author of *The Way We're Working Isn't Working*, explained it this way:

"In a growth culture, people build their capacity to see through blind spots; acknowledge insecurities and shortcomings rather than unconsciously acting them out; and spend less energy defending their personal value so they have more energy available to create external value. How people feel — and make other people feel — becomes as important as how much they know."

It's easy for leaders to pay lip service to building a supportive and thriving firm culture. We can write inspiring mission and values statements, slap the right words on the company's website, and fall into the trap of communicating caring but not following up with action.

As management guru Peter Drucker once said, "What gets measured gets managed." So how can we measure something as complex and nebulous as culture? In my experience, it boils down to six essential measurements.

LEADERSHIP

In a growth culture, people feel safe taking risks to drive innovation. They know they won't be penalized for failure because firm leaders recognize that failure is an essential part of growth. Failing forward and failing fast is not only accepted, it's encouraged.

Like culture itself, leadership can be challenging to measure. These roles stand for so much that merely measuring the financial effectiveness of each individual isn't enough.

Pulse surveys can be a great way to gain feedback from employees, and questions can center around how employees feel about the leaders within the organization.

COMMUNICATION

Continuous learning and personal and team development are essential to a strong growth culture, and all of this depends on communication.

Because there are many different ways of communicating, there are also different ways of measuring communication. Intranets are useful for observing how departments communicate with each other and how internal communications are distributed and understood.

Investigate work projects to see how people communicate with each other and look at the tools they're using.

WELLNESS

In firms that focus on performance, people often feel overwhelmed, unsupported and even exploited. Partners and managers pay little regard to work/life balance and other employee health and wellness elements, instead putting pressure on people to produce better results in the short term.

In a growth culture, leaders recognize that short-term bursts of intense productivity aren't sustainable. When they focus on taking care of people, employees find more meaning and purpose in their work, are more engaged and committed to the firm, and sustainably produce exceptional

work in the long term.

When your firm practices wellness, the results speak for themselves. Employees who feel looked after have higher retention rates, lower absenteeism and are generally happier. Putting a high priority on employee health has an enormous impact on your firm. People return to work quicker, are more productive and save the firm money that would otherwise be spent on hiring replacement staff.

AGILITY

In today's marketplace, firms need to respond to changing dynamics quickly — a concept known as agility. Agility can be used to describe a lot of things, but in its essence, it is adapting and refining the processes and operating of the business to meet changing technologies and changing client demands.

You can measure how agile your firm is by measuring time scales, client complaints and quality scores. If you're not already tracking these metrics, start now to get a baseline and continue to monitor them as you make improvements.

ENVIRONMENT

Giving feedback on an annual, semi-annual or even quarterly basis doesn't work in a growth culture. To learn and improve, people need to be given feedback on and discuss their strengths and weaknesses continuously. This helps people feel more confident and be more creative and adaptable.

Opening up feedback is an

excellent way to create two-way, continuous feedback in your firm. This can be as simple as providing a suggestions box or an employee forum on your intranet, or as elaborate as implementing a continuous feedback performance management system.

INNOVATION

To get an edge over your competition, your firm needs to constantly evolve your services, marketing, and business development practices and processes. There is no way to succeed other than to innovate, yet many firms struggle to get people thinking in innovative ways.

There are many effective ways to measure innovation:

- Do you have a research and development budget?
- Do your team members use the latest technologies and communication tools?
- Are your everyday processes executed efficiently?
- Do you measure financial returns and incremental revenues?

By demonstrating innovation and providing the right tools, employees will develop a mindset of curiosity and growth.

The foundation of any successful firm is its people, and keeping them healthy and happy depends on strong firm culture. Identify the essential elements of your firm's culture, look for ways to measure those elements and seek continuous improvement. When you start measuring what really matters, your firm and people will thrive. ■

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