How to Embrace Change and Unlock Your Firm's Potential

You can serve your clients better in less time by adopting the right technology

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Introduction

You work to improve your tax and accounting firm — increase profitability, expand into new areas and find a better work-life balance. But you and your staff are already working hard and putting in long hours, and the demands on your team are becoming increasingly complex.

Tax firms like yours are feeling the pressure of changing tax regulations, along with clients who expect greater accuracy and faster responses in the digital age. As a result, you may spend workdays reacting to problems instead of focusing on the proactive work that improves profitability and client retention.

Consider these statistics about operating a tax firm:

- There were **150 changes to the federal tax code** in 2015 alone, not including those at the state and municipal levels[1]

- **2 of 3 clients cite poor customer service** or inattentiveness as the primary reason for leaving a firm[2]

- **When a client leaves a firm, it costs 11 times more for the firm to acquire a replacement** than to keep an existing client[3]

With both regulations and client expectations on the rise, it can be a struggle for your firm to grow and excel — unless you initiate a change.

The solution: the right technology.

The right technology streamlines your firm's workflows and automates manual processes, creating more time for tax strategy and advisory services. With a proactive approach, your firm can deliver better value to clients — and in less time, with increasing profitability.

Technology solves the **three main problems** faced by firms:

1. Keeping track of ever-changing tax regulations

2. Improving productivity despite manual processes

3. Retaining clients while maintaining an increasing workload

Explore the impact of these challenges on your business and learn why investing in technology is the key to overcoming them.

Challenge #1: New rules and regulations compress the tax season.

If you feel as though tax regulations become more complex every season, you're right. 2015 brought more than 150 changes to the federal tax code alone — not counting hundreds of changes at the state and municipal levels.[1] Plus, most regulations are tucked into bills related to appropriations, trade or transportation funding, making changes difficult for firms to monitor.

Often enacted during tax season, regulatory changes come at a time when your staff is already tired and stressed. Updating tax returns based on new regulatory information takes time and manual rework that can lead to human error. As all tax and accounting professionals know, even a small mistake can result in bigger problems that strain the client relationship.

Keeping tabs on regulations is even more difficult for firms as they expand geographically. The more jurisdictions of operation, the more tax changes to track and follow. This complexity can leave a firm vulnerable to errors, which can negate the profitability of expansion.

Even if you're looking for tax regulation changes, they can be hard to find: in 2015, the federal government enacted 18 bills that included tax changes, but most did not include the word "tax" in the title.[1]

Challenge #2: Manual processes bog down productivity.

You probably didn't choose the accounting profession to spend hours sorting paperwork and typing numbers into spreadsheets — but often, that's what the work may entail. Clients send stacks of documents for tax returns, which may require your staff to take turns shuffling papers and entering the same data over and over.

This manual work is time consuming, creates opportunity for errors and limits your firm's productivity. Bogged down by non-billable and low-value activities, a firm's **staff can spend much of their time reacting to client demands instead of focusing on the proactive, impactful work** that a computer can't do — and that only you and your firm can provide.

As a result, staff may tend to burn out on menial tasks and seek firms that offer better technology and more rewarding work. Manual processes can limit a firm's opportunities to preparing tax returns, instead of year-round strategic engagements that offer more value to clients — and more profit for your firm, as well as more rewarding work for your staff.

Manual processes can limit a firm's opportunities to preparing tax returns.

Challenge #3: You're focused only on what clients need today.

No firm wants to lose clients, especially considering it costs 11 times more to acquire a new client than to keep an existing one.[3] Yet many firms struggle with retention — and more often than not, lack of time is the cause.

Two out of three clients say they left a firm because they weren't receiving the attention they felt they deserved.[2] In a digital world, **many clients expect faster service and more frequent communication**. As millennials become business owners and decision makers, **they're looking for digitally sophisticated firms that can solve their problems with technology**.

Client needs also extend beyond tax preparation into issues of compliance, expansion and business strategy. Many clients are seeking more than a tax preparer — they want a strategic partner that can support them in growing their business.

Unfortunately, many tax firms are so burdened by a lack of technology solutions and numerous changing regulations that they're struggling simply to meet basic client demands. Without better processes and technology in place, they can't begin to tackle the forward-looking work that wows — and retains — clients.

There's a lot riding on every client interaction: 68 percent of 18- to 34-year-olds have stopped doing business with a company because of a single negative customer service experience.[4]

Good news: You can stop conducting business as usual

Tax regulations, technology and client expectations have outpaced many firms, resulting in less profitability, overworked staff and unsatisfied clients.

But business as usual doesn't have to be "usual" — and **tax firms that have embraced the right technology are getting ahead of the curve**.

Successful tax firms:

- Address tax regulation changes more quickly and accurately

- Automate workflow to save time and increase productivity

- Give clients what they need before they know they need it

Give clients what they need before they know they need it.

A new approach for tax preparers

Tax firms are turning to technology to escape the daily grind of tax preparation and transition to a more strategic business model that benefits firm owners, staff and clients alike.

Here's a look at what professional tax software for preparers, like UltraTax CS®, can do for your firm.

Learn more at
tax.tr.com/ultrataxcs.

The right technology allows you to address tax law changes faster to serve all clients

You need to stay on top of regulatory issues that could disrupt your workflow and impact your clients, but no one has time to research every single federal, state and municipal change. So you need software that does it for you. In response to 150-plus changes to the federal tax code in 2015, for example, more than 1,500 regulatory updates were automatically added to UltraTax CS.[1]

The right software allows your firm to:

- **Update tax returns as soon as regulatory changes are implemented**. The software automatically updates behind the scenes. As a result, your staff no longer has to spend hours researching and implementing changes manually.

- **Identify problem areas in advance**. UltraTax CS is like a spell-checker for tax returns, alerting your staff to conflicts such as missing data and incorrect numbers. The software also prepares an automatic checklist, helping to ensure your staff prepares returns completely and accurately.

- **Automatically prepare returns for any jurisdiction**. The software's coverage of entity types, states and localities should eliminate the need for your staff to research regulations in each geographic area. This software will also grow with your firm, so you can confidently expand into new regions.
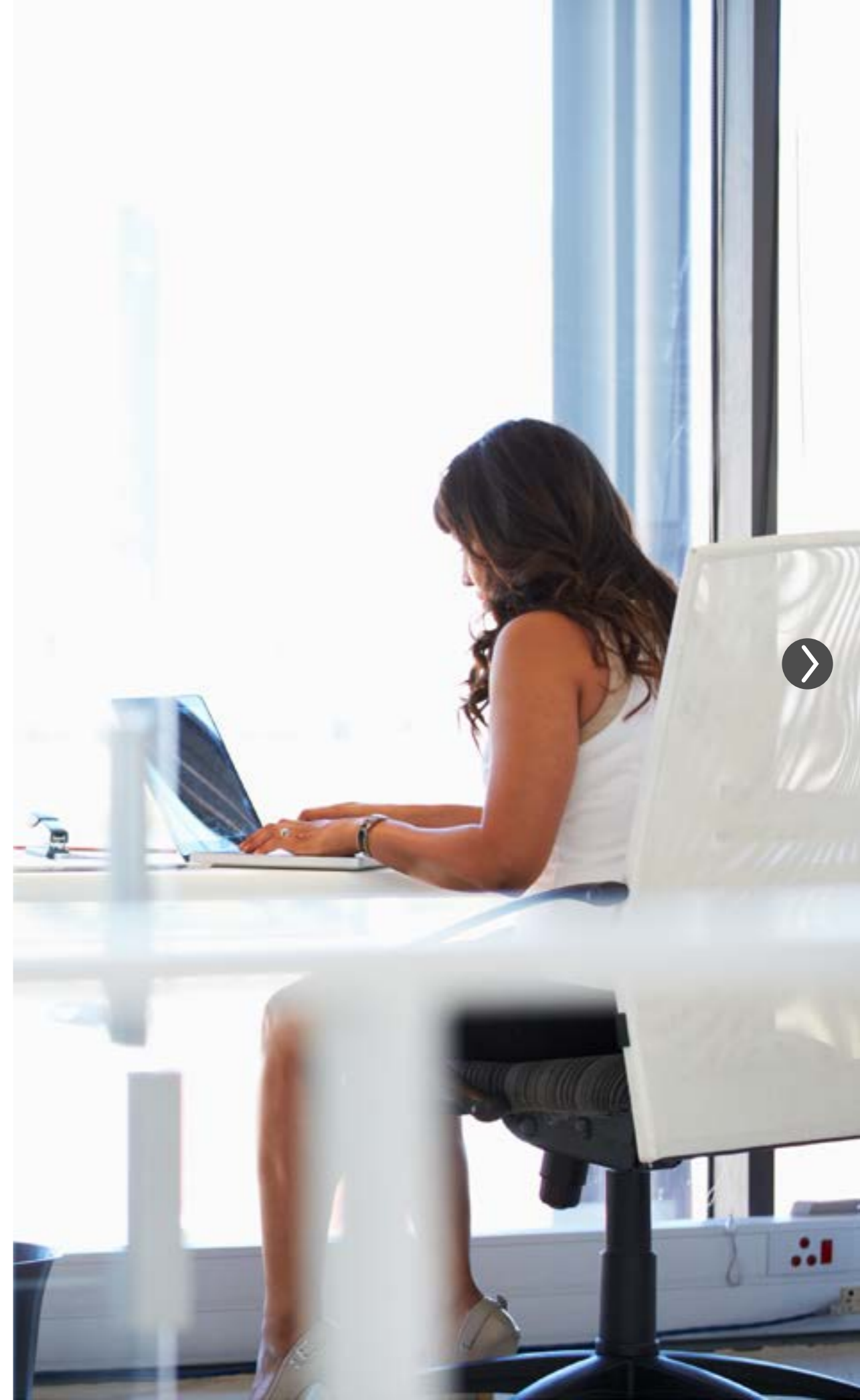
The right technology allows you to automate your workflow across all of your clients

You likely hired your staff accountants for their knowledge, intelligence and work ethic — not for their ability to type numbers into spreadsheets. The right software automates manual tasks that drain your firm of time and talent, empowering your staff to focus on more strategic and rewarding work.

With automation, you can:

- **Enter data once — and only once**. UltraTax CS allows you to link returns using a tax ID number, so your staff doesn't have to make the same changes across multiple documents. By reducing manual data entry, firms can decrease the margin of error and the time needed to review returns for accuracy. The result: more returns completed in less time.

- **Keep your staff working without interruptions**. UltraTax CS updates automatically so that no staff member is forced to waste time waiting for software updates.

- **Review problem areas using sophisticated diagnostics**. With automation, accountants no longer have to manually detect blank fields or numbers that don't add up. By comparing a tax return with last year's documents, the right software like UltraTax CS flags problems before it's too late to fix them.

The right technology allows you to give clients what they need before they know they need it

Clients expect an accurate tax return — they may not necessarily expect strategic insights that make a broader impact on their businesses. Firms like yours can stay ahead of the game — and stay in demand — by anticipating client needs and delivering extra value that helps them become not just a tax preparer, but also a trusted partner to clients.

UltraTax CS helps your firm develop deeper client relationships by allowing you to:

- **Unmask client needs ahead of time**. The software enables your firm to proactively communicate with clients, whether it's sending reports, notifying them of legal changes or sending reminders to make estimated tax payments. With this solution, you're in the position to be the first to identify potential problems — and solutions.

- **Interact with peers for best practices and advice**. When you use UltraTax CS, you're joining an active and welcoming community. You can connect with other users to ask questions, share advice and benchmark against your peers to see how your firm compares.

- **Give direct feedback that drives the development of new program capabilities**. The UltraTax CS Ideas Community connects software users to developers, inviting firms like yours to share suggestions on features that would make life easier for them and their clients.

A more productive and profitable tax season

Increasing client demands and tax law revisions are changing the world for tax professionals. Isn't it time your tax firm started changing with them?

Complete more tax returns in less time by using UltraTax CS to automate your workflow and stay ahead of tax regulations and trends affecting your clients. **When software handles manual processes, you'll have more time to focus on what matters most: serving your clients as trusted advisors and growing your firm**.

To learn more about UltraTax CS, visit **tax.tr.com/ultrataxcs** or email our sales team at **cs.sales@tr.com**.

tax.tr.com/ultrataxcs

[1] "Changes in Tax Legislation in 2015: Lots of Them!" Tax Insider, March 2016

[2] "Client Retention Strategies Every Firm Can Use," AICPA Store, CPA Insider, May 2011

[3] "The Defining Dozen: 12 Metrics CPA Firms Should Track, AICPA Insights, January 2013

[4] "12 Statistics That Show Millennials Expect Even More Customer Service," Parature, July 2016

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