

Take Your Firm to New Heights

By Samuel Greengard

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Accounting, tax and audit leaders are using cloud computing to improve speed, agility and collaboration. See how it's increasing productivity and profits.

One of the more challenging aspects of operating an accounting or a tax preparation firm is handling today's array of information technology (IT) systems. There are servers to oversee, networks to configure and software to manage.

Over the past few years, many firms have taken an entirely different approach to managing technology: cloud computing.

"The cloud represents a fundamentally different — and in many cases better — way to operate technology and a business," observes Greg Pierce, vice president of Concerto Cloud Services at Tribridge, an IT services and business consulting firm based in Tampa, Fla. "It can be used by a professional services firm to improve efficiency, boost productivity and create deeper and better relationships with clients." Clouds can also help smaller firms with limited IT expertise trim costs and gain large enterprise capabilities.

Although there are different varieties, cloud typically encompasses infrastructure, software and data stored on remote servers that reside somewhere on the Internet. Rather than having to invest in and maintain your own software and servers, you're using a third party's processing power and equipment.

BENEFIT #1 IT'S EASY TO GET STARTED

Although cloud computing has become something of a buzzword over the past few years, it's unwise to dismiss it as just a tech trend du jour. It is rapidly redefining the way firms use IT resources.

Nearly 40 percent of accounting and tax firms plan to migrate some systems to the cloud within the next 12 to 18 months, and about one-third plan to do so this year, according to Rick Telberg, president and CEO of market research and consulting firm Bay Street Group, which publishes *CPA Trendlines*. As recently as two years ago, the adoption rate was in the single digits. "The environment is changing rapidly," Telberg points out.

A first step for many firms is to deploy software as a service (SaaS) solutions. These applications and services provide a hosted approach to email, documents and specialized tax services.

For example, Stambaugh Ness, a York, Pa., firm with more than 30 CPAs and 70 employees, already has Outlook and its company portal in the cloud, and also uses CCH web-hosted solutions, including the IntelliConnect® research platform, customer relationship solution ClientRelate™ and audit management tool ProSystem fx® Knowledge Coach. In fact, Stambaugh Ness has gone entirely paperless — and the cloud plays a large role in making it possible by facilitating collaboration and document sharing. The firm plans to migrate a number of other applications into the cloud over the next few years, including ProSystem fx Engagement and ProSystem fx Practice Management.

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VP, Concerto Cloud
Services at Tribridge,



BENEFIT #2 THE CLOUD SIMPLIFIES SERVERS

As organizations migrate to the cloud, Pierce says, it's wise to explore the possibility of outsourcing servers and infrastructure to a managed service provider, which handles all aspects of the IT environment. “You can dial up server capacity and resources during tax season and dial them back afterward,” Pierce says. “You have a great deal of usage options and elastic capacity that otherwise isn't possible.”

According to Tom Moul, CPA, chief financial officer for Stambaugh Ness, this approach saves on IT costs. “There are huge benefits in terms of IT administration,” Moul says. The firm's cloud-centric approach requires just one IT person rather than the three it required before. “We are a far more efficient company using the cloud,” he says. “The questions we're asking now are: What is the opportunity cost of having key resources tied up in systems we must manage? How can the cloud change the equation for the better?”

Stambaugh Ness isn't alone. Another firm that has turned to a SaaS approach is Steven Brewer & Company, CPAs, PC, of Salem, Ind., which uses cloud-based accounting, payroll and document storage software and CCH research and bulletins. “All the data resides on a cloud-based server,” says President Steven Brewer, CPA. “There is no VPN [virtual private network] software, no patches and no upgrades that need to be performed. You just go straight to our website.”

BENEFIT #3 THE CLOUD STREAMLINES INFORMATION EXCHANGE

This technology can transform organizations in other ways. For example, a cloud-based document management portal, such as ProSystem fx Portal, makes it much easier for firms and their clients to exchange data anytime, anywhere. The technology makes it possible to become more responsive to clients while reducing the number of steps and processes it takes to manage work.

That's certainly the case at Steven Brewer & Company, which has built its entire practice around the cloud. Already, the new way of exchanging documents has paid significant dividends for Brewer, tax preparers and office staff. "Last tax season a client called and said that he needed information immediately," Brewer explains. "I was out of the office with my laptop and I was able to upload the document to the portal. He was able to download the file within 30 minutes."

Telberg says that one of the biggest benefits of the cloud is easy collaboration. It gives everyone within an organization — as well as partners and clients — access to the same data and information. "The cloud is all about ubiquitous availability of information," he explains. "There are no data syncing issues and no guessing what's accurate and what isn't. ... It fundamentally changes the way people work and interact."

Clouds also provide a solid foundation for today's mobile devices, including tablets and smartphones. "The ability to access files and data from mobile devices is a quantum leap forward," Pierce says. "It radically transforms an organization and the way professionals interact and react." What's more, with the right software in place, workers can keep their contacts, calendar items and emails synced across devices.

BENEFIT #4

THE CLOUD ENABLES CRISIS RECOVERY

Still another advantage to the cloud is the ability to boost disaster recovery and business continuity — which are often huge headaches for small businesses. Cloud-based disaster recovery can eliminate the need for cumbersome tape backups and the need to physically carry media off-site. It makes data available anytime from anywhere.

Terry Livingston, CPA, a partner at the Myrtle Beach, S.C., firm of Gamble & Livingston CPAs LLC, finds the cloud invaluable for storing data. "When data is stored in the cloud — and you have a trusted cloud provider — you know that it is backed up and secure."

DESIGNING AN EFFECTIVE CLOUD STRATEGY

The key to success in the cloud is developing a sound strategy. David Bergstein, CPA, CITP, director of strategic relations for Wolters Kluwer, says that it's critical to start with an understanding that cloud services are safe and secure — providing that a company has selected the right vendor. "Most of

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- **ProSystem fx Portal**
Provides convenient online storage for uploading, downloading, storing and sharing files in a secure environment.
- **ProSystem fx Practice**
Provides time and expense entry, billing and invoicing, accounts receivable, project management, contact management, reporting.
- **ProSystem fx Scan**
Allows organizations to transform paper documents into electronic documents that are easily accessible.
- **ProSystem fx Workstream**
Manages projects and processes to help ensure a high level of consistency.
- **CCH® KnowledgeConnect™**
Captures and stores an organization's intellectual assets in a single place and makes them accessible anytime, anywhere.

us are already conducting all sorts of business on the web and over the cloud. It's simply extending the concept to systems that have traditionally been managed by IT in-house."

In fact, most cloud software providers catering to accounting and tax prep firms comply with SAS 70 Type II requirements, the AICPA audit standard governing control over IT and related processes.

"There's an illusion that a firm provides better security internally than a cloud provider," Telberg says. "The reality is that a services provider has professionals focused on security in a way that a small firm cannot."

Telberg suggests that firms start by moving non-mission-critical data and systems to the cloud — or migrating systems during nonpeak periods. He also suggests developing an overarching strategy for using cloud resources. Be sure to check the credentials of a cloud provider. Find out how long the firm has been in business and what problems it has addressed in the past.

Also ask how the cloud services provider handles downtime and other potential problems. "If they say they haven't had a downtime situation, they probably haven't been in business long," Pierce says.

Finally, don't look only at the cost of cloud services — which may seem higher upfront — but weigh overall cost of ownership of on-premise software and cloud software's return on investment. "The right approach usually falls somewhere between cost and value," says Pierce. "The cloud represents remarkable opportunities for organizations that use the technology effectively." ■

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