



# Charting a Course for the Future: A Report on Firm Preparedness

Key Findings from the 2014 *Wolters Kluwer, CCH — Accounting Firm Preparedness Survey*

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# Introduction

The accounting profession has felt the impact of change. Over the past several years, operational changes in workflow and process have dramatically altered the scope of the accountant's role. The profession's workforce is aging, underlining the importance of succession planning and talent management. Additionally, as the digital universe doubles in size every other year, many firms struggle to keep pace with the latest technology trends.

For today's firm, change is constant. And across the entire tax, accounting and audit profession, the forecast calls for even greater shifts in people, processes and technology.

These ever-evolving realities inspired Wolters Kluwer, CCH, a strategic partner to accounting firms, to explore two major questions in the *2014 Wolters Kluwer, CCH—Accounting Firm Preparedness Survey*. First, what trends will have the most significant impact on accounting firms and their clients over the next five years? Second, how well prepared are accountants to take advantage of these trends?

The responses were telling. Fewer than 1 in 5 survey participants (18%) report feeling "very prepared" to take advantage of the profession's most significant trends (see "Five Trends Shaping the Future," page 4).

And while the top trends featured in this year's survey hold true to year-over-year analyses from leading industry associations like the American Institute of CPAs (AICPA), this white paper will shine a light on the attitudes and behaviors that distinguish firms that indicate they are very prepared from less prepared ones. By putting "very prepared" firms under the magnifying glass, this report will examine what makes them so confident about their ability to master future trends.

# A Business Case for Greater Preparedness

As this 2014 survey reveals, the greatest product of firm preparedness isn't confidence. Rather, it's results. Firms that feel more prepared for the future report being more productive and more profitable.

For example, "very prepared" firms say they're able to put cash in the bank quicker. For them, the average stretch from initial client engagement to invoicing is 14 days. That's a full 10 business days faster than firms that feel less prepared for the profession's future trends.

## Speed of Invoicing from Initial Client Engagement

	Very Prepared Firms	Less Prepared Firms
Total number of days	14	24

Additionally, "very prepared" firms state stronger growth objectives. More than half (51%) of "very prepared" firms project growth of 6% or greater over the next three years, while 44% of "less prepared" firms report the same.

Just as in past Wolters Kluwer, CCH surveys, technology remains the key to preparedness. But there are key differences in how "very prepared" firms understand and derive value from technology. They tend to view it not just as a single tool to meet a single, functional need. Rather, they use technology much more holistically, integrating it throughout their entire business to address the future's most pressing challenges. And, as this report will demonstrate, firms that embrace and derive the most value from technology also have clients who are better prepared for the future.



# Five Trends Shaping the Future

The 2014 *Wolters Kluwer, CCH—Accounting Firm Preparedness Survey* explored several accounting, client service and overall business trends. Five were identified as having the most significant impact on the future of the profession. Readers familiar with past Wolters Kluwer, CCH surveys will note that many trends have remained consistent. However, this year's survey features a few surprising shifts in the rankings:

Rank	Trends That Will Have Most Significant Impact on Firms in the Future
1	<h3>Increased Focus on Client Service</h3> <p>Providing enhanced customer service, leveraging technology to automate processes and free up staff, while providing more personalized and strategic advice and counsel to clients.</p>
2	<h3>Technology Integration Challenges</h3> <p>Making sound and strategic investments in technology today, while providing a smooth migration and integration path to new and emerging technologies.</p>
3	<h3>Digital Mobility Opportunities</h3> <p>Reducing capital costs; increasing service and employee productivity by leveraging mobile devices, digital platforms; and consolidating and integrating cloud-based information repositories.</p>
4	<h3>Talent Management &amp; Succession Planning</h3> <p>Identifying and managing talent, developing new and different skill sets, and managing the retirement of senior leaders.</p>
5	<h3>Social Media as a Business Tool</h3> <p>Becoming more sophisticated in the use of Twitter and other social media to market their business, finding and engaging clients online, and monitoring the competitive landscape.</p>

# Meet the Very Prepared Firm

The 2014 *Wolters Kluwer, CCH—Accounting Firm Preparedness Survey* found that 18% of all accountants report feeling “very prepared” to address the most significant trends facing their firms in the future.

Overall, these “**Very Prepared**” firms make a concentrated effort to think ahead, anticipate future needs and use technology to add value for their clients. Being more proactive, according to survey responses, is fundamental to who they are and how they operate. **Very Prepared** firms are fixed in their belief that technology is the key to managing change and driving better business results. Accordingly, they report feeling very well-equipped to shoulder a future filled with changes in people, processes and technology.

The group referred to throughout this white paper as “**Less Prepared**” represents the remaining 82% of participating firms in the survey. They too identified the same top trends as the **Very Prepared** but feel less confident in their ability to master them in the future.

By examining the habits of the **Very Prepared**, this report will break down several opportunities for **Less Prepared** firms to increase their overall productivity and profitability.

But who are these **Very Prepared** firms, really? When compared to **Less Prepared** firms, we observe significantly more demographic and organizational similarities than differences. Both groups are of similar size and boast similar occupational titles. The firms carry many of the same certifications and offer similar services.

Across this large set of attributes, the findings uncovered one significant difference between these two groups: They do not view the impact of technology on their businesses quite the same. Among the **Very Prepared**, about 7 in 10 say “technology is having a very significant impact on my firm.” Fewer than 4 in 10 **Less Prepared** firms said the same. (See Figure 1)



# Who are the Very Prepared vs. the Less Prepared?

**18% Very Prepared**  
for Near Future (Next 5 Years)

**82% Less Prepared**  
for Near Future (Next 5 Years)

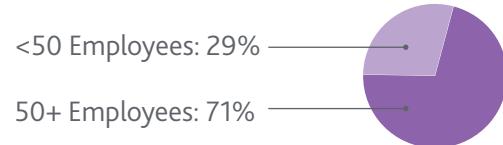
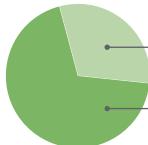
## ATTITUDE TOWARDS TECHNOLOGY

On average 69%

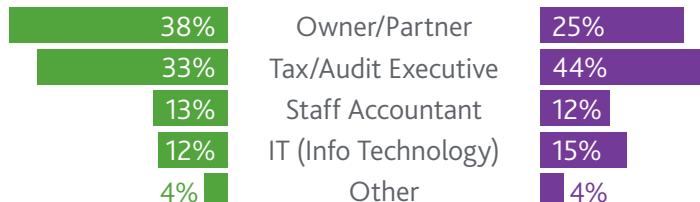
On average 37%

Accountants say "Technology is having a very significant impact on my firm"

## FIRM SIZE



## TITLE/ROLE AT FIRM



## CERTIFICATION

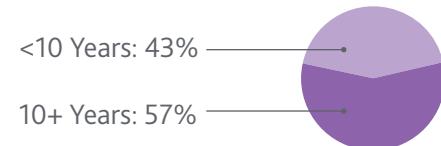
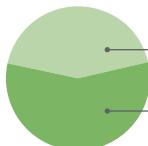
CPA: 72%

CPA: 75%

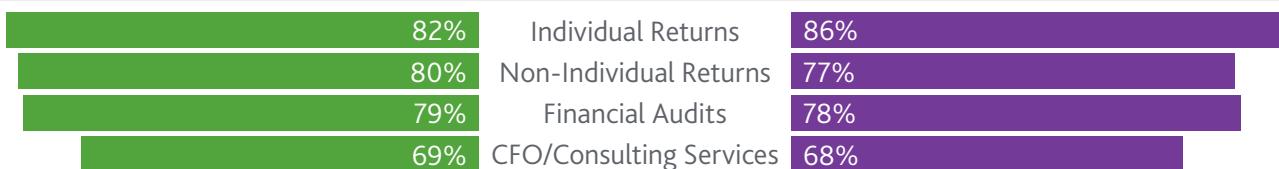
Enrolled Agent: 21%

Enrolled Agent: 11%

## YEARS AS CPA/ENROLLED AGENT



## FIRM SERVICES (+10% PER ANNUM)



Coming sections of this report will examine how technology can boost firm preparedness. This paper will also take a deeper look at the technology integration divide between the **Very Prepared** and the **Less Prepared**.

And now, here's a look at the key findings that headline this survey's top five trends.

# Increased Focus on Client Service

As client satisfaction goes, so too goes the success of today's accounting firms. It's no wonder then that today's firms rank an "increased focus on client service" as the most significant trend impacting the future of their business.

Accounting professionals know this activity continues to evolve. Client service has progressed from the traditional one-on-one, face-to-face connections of the past to a continuous loop of client engagement opportunities. The connections between a firm and its clients have shifted from infrequent and deep, to ever-present and open-ended.

"Agility trumps ability," says Doug Sleeter, Founder and CEO of The Sleeter Group, Inc. "The pace of change is faster than ever, and accountants who focus more on agility than on raw ability will thrive in the coming years."

Client service in the future, according to the 2014 *Wolters Kluwer, CCH—Accounting Firm Preparedness Survey*, is a matter of embracing high-tech and high-touch as the speed of technology and the importance of client relationships continue to intersect. The future of this trend will center on providing enhanced customer service, by leveraging technology to

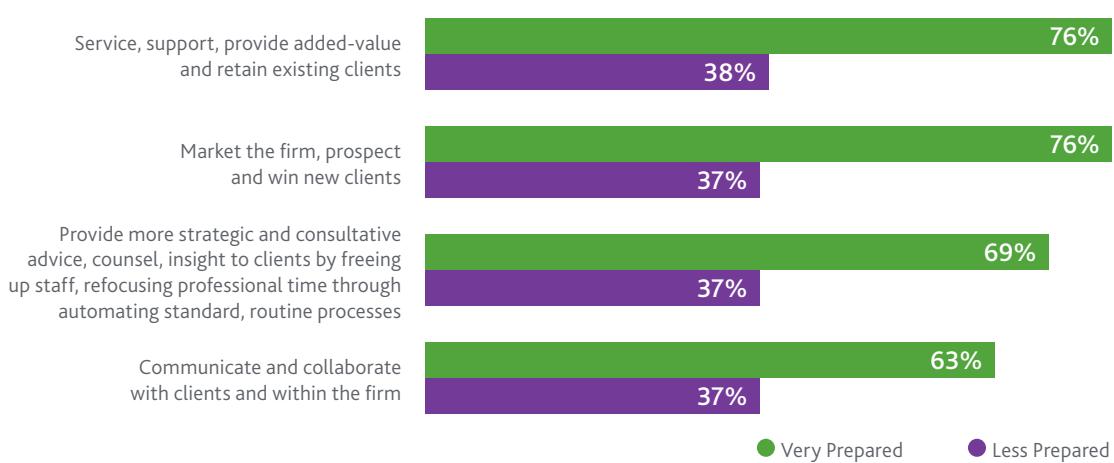
automate processes (and free up firm staff), while offering more personalized and strategic counsel to clients.

According to survey results, 8 in 10 **Very Prepared** firms say that placing an increased focus on client service will have a very significant impact on the future of their business. And when compared to **Less Prepared** firms, the **Very Prepared** expect technology to play a much more transformative role in how they service clients.

Survey participants were asked to rate the importance of technology across a variety of functions essential to accounting firms over the next five years. Many of these accounting business functions are client-facing — either directly as the focus of the activity or indirectly through the outcome of the activity. The perceived differences in technology's role help paint a much clearer picture of the differences between **Very Prepared** firms and **Less Prepared** firms. (See Figure 2)

In this era of continuous change, solidifying and improving client relationships takes on heightened importance. But the question on the minds of many accounting professionals is: How can firms improve client service?

Figure 2. Technology Definitely Will Have a Major Impact on My Ability to ...



## CLIENT SERVICE EXPERT SPOTLIGHT:

### Jennifer Lee Wilson

*Co-founder and Partner, ConvergenceCoaching, LLC*

#### Why is client service significant?

With the impending retirement of nearly 80 million baby boomers, every firm is facing client transition. This might be from retiring accounting firm partners transitioning relationships to younger staff or generational staff shifts on the client side. In either case, new relationships must be forged to ensure client retention and revenue continuity.

#### Are accountants really prepared to deliver excellent client service?

Because integrity and relationships are at the core of the CPA profession, accountants are very well prepared to deliver excellent client service. But succession and retirements mean that a new generation of accountants must forge their own form of excellent service, which will be different from their predecessors because of technology. Technology enhances communication by extending reach and increasing the speed of information dissemination. Technology improves efficiency and allows accountants to focus more on relationship development and service delivery.

#### How can firms improve client service?

1. Take the time to really know your clients as people and as business entities.
2. Twice a year, meet with the 20% of your client base that generates 80% of your firm's revenue to discuss their goals, challenges, needs and wants. These meetings should be outside of, and in addition to, the regular service delivery cycle.
3. Teach younger talent about client service by modeling expected behavior. Invite younger talent to "shadow" client interactions and sit in on prospect meetings. Younger employees will learn to serve clients at a higher level earlier in their careers — which is important with the impending impact of Baby Boomer retirements.



# Technology Integration Challenges

Technology integration helps firms better manage client relationships and deliver higher-value consultative services, according to the 2014 *Wolters Kluwer, CCH—Accounting Firm Preparedness Survey*.

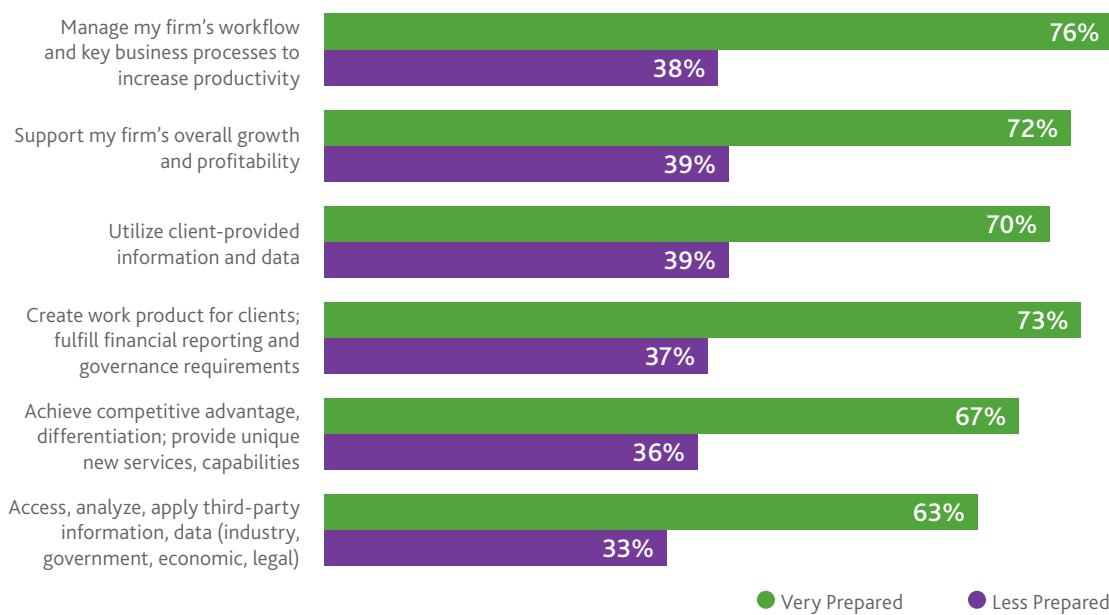
Ranked second only to client service in its perceived future impact on firms, “technology integration challenges” are top-of-mind for many firms. These challenges include making sound and strategic investments in technology that help the firm today, while providing a smooth migration and integration path to new and emerging technologies.

Those are the challenges. But what about the rewards for integrating technologies? As stated at the beginning of this white paper, the average time it takes a firm to go from initial client engagement through invoicing to cash in the bank varies significantly between the **Very**

**Prepared** and **Less Prepared** groups. The **Very Prepared** group is 10 business days faster—with an average of 14 days compared to **Less Prepared** with an average of 24 days. Improving time-to-value is a significant result to consider. Firms who are not prepared to address this trend may be missing out on profitability opportunities.

Herein lies the power of technology integration. Among **Very Prepared** firms, 3 out of 4 say, “technology integration definitely will have a major impact on my ability to manage my firm’s workflow and key business processes to increase productivity.” What this indicates is that the benefits of integration to the **Very Prepared** far exceed the value of using individual technologies as “one-off” solutions. This group is bullish about technology integration because it facilitates improved workflow, efficiency and productivity. (See Figure 3)

Figure 3. Technology Integration Definitely Will Have a Major Impact on My Ability to...



All firms view technology integration as an opportunity to drive certain key performance indicators. But the types of ROI firms derive from technology integration say a lot about how they use technology. For instance, when comparing technology integration ROI of **Very Prepared** firms with **Less Prepared** firms, something interesting appears. (See Figure 4)

Figure 4. Type of ROI	Very Prepared	Less Prepared
Productivity	31%	49%
Work Quality	22%	31%
Profitability	21%	11%
Client Satisfaction	13%	6%
New Business	13%	3%
	<b>100%</b>	<b>100%</b>

Technology ROI for the **Less Prepared** is overwhelmingly concentrated on the benefits of productivity and work quality. Why is that significant? These functional, operational, even

"back-office" benefits are in many ways the table stakes of technology integration. Firms almost can't help but expect technology to deliver these types of outputs.

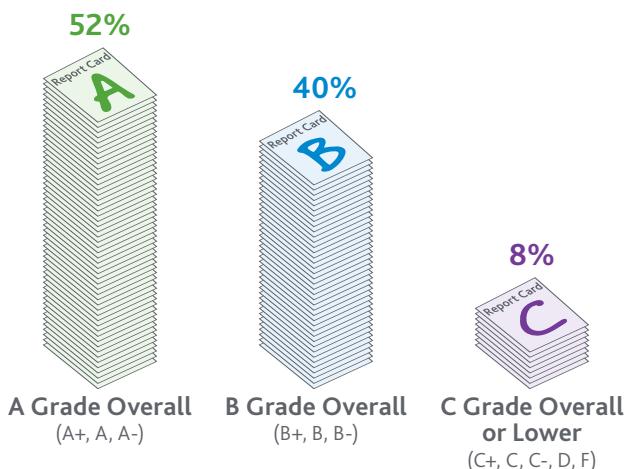
And while the **Very Prepared** experience better productivity and work quality, they see technology integration as a pathway to increasing profitability and client satisfaction while also driving new business — at rates significantly higher than **Less Prepared** firms.

Clearly, some firms view technology as more of a business assistant, while others view it as more of a business driver. The **Less Prepared** view technology as a utility, a mechanism for greater day-to-day efficiency. Meanwhile, the **Very Prepared** report seeing and using technology as an enabler of better business results. For them, technology integration drives revenue and growth and creates a competitive advantage. Ultimately, those are the types of key performance indicators CEOs and partners covet when striving to advance the future of their business.

## TECHNOLOGY REPORT CARD: Who's Making the Grade?

Throughout the survey, **Very Prepared** respondents pointed to technology as the backbone of firm preparedness. And when asked to grade their firm's performance in leveraging technology, 92% of all survey participants awarded their firm an "A" or "B" letter grade. This is an interesting juxtaposition, considering the fact that only 18% of all survey respondents feel prepared to take advantage of the five trends identified as most significant.

Figure 5. Average Grade I Would Give My Firm for How Effectively We Leverage Technology for Ourselves and Our Clients



## Report Card

Respondents awarded themselves the highest concentration of A's for their ability to leverage technology across the following five accounting functions. Again, client service plays a central theme here, as 4 of the 5 functions below fall into this area:

<b>A</b>	To service, support, provide added-value and retain existing clients	<b>57%</b>
<b>A</b>	To create work product for clients, fulfill financial reporting, governance requirements	<b>56%</b>
<b>A</b>	To communicate and collaborate with clients, within the firm	<b>55%</b>
<b>A</b>	To utilize client-provided information and data	<b>45%</b>
<b>A</b>	To manage the firm's workflow and key business processes to increase productivity	<b>47%</b>

## TECHNOLOGY INTEGRATION

### EXPERT SPOTLIGHT:

# Randy Johnston

*Executive Vice President of K2 Enterprises and CEO of Network Management Group, Inc.*

#### Why is technology integration significant?

Technology provides leverage for accountants to apply their knowledge more effectively. Integrating technologies allows team members to work together, effectively collaborate, and reduce overhead in communications. Choosing to do the right thing — and then only doing it once — helps complete engagements sooner with greater realization, as well as with lower frustration. With the continuing decline in accountants due to retirements, and increasing accounting regulations and compliance, the remaining professionals will have greater workloads and fewer human resources.

#### How do integrated technologies help clients?

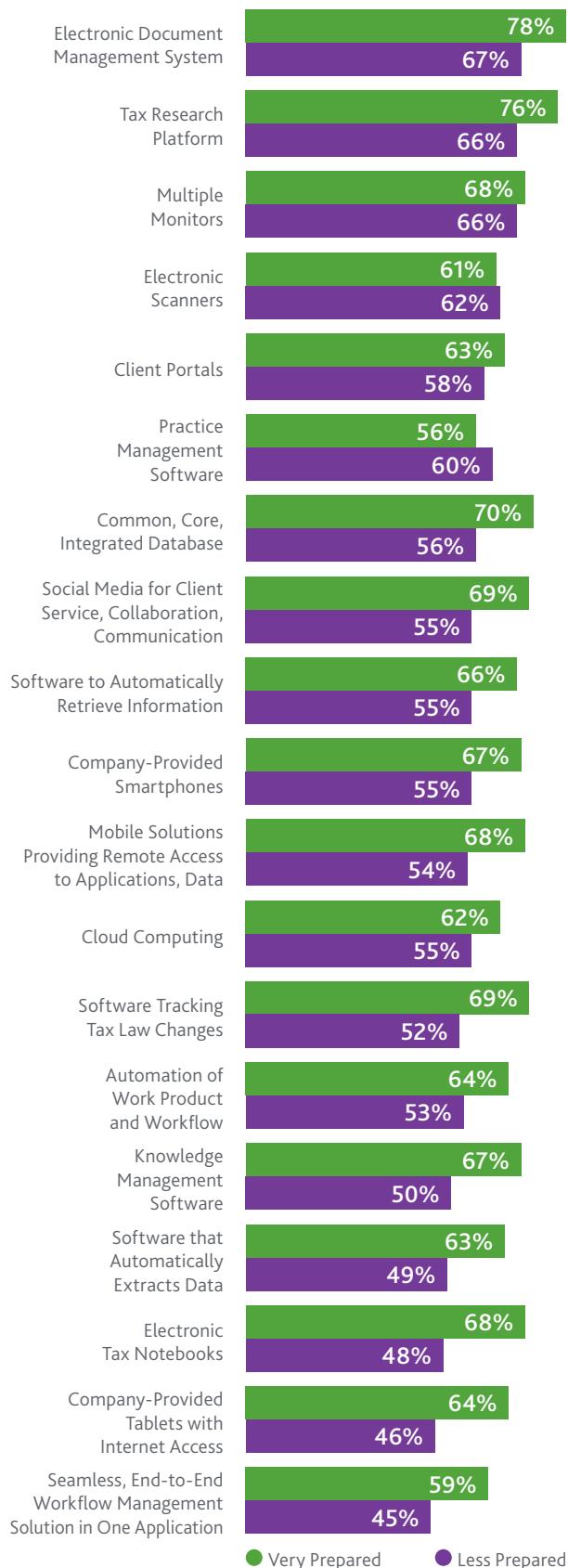
The technology experience should be seamless from practitioner to client and back. The use of portals, collaborative software, and integrated voice and video allow proactive accountants to work with clients effectively — when and where help is needed. You have to be thoughtful about your niche expertise, and choose applications and methodologies that work for you and your clients. Fortunately, some accountants are prepared to address integrated technology challenges. Unfortunately, many are not. Both new and seasoned accountants have not invested enough time or effort in learning to use technology effectively. Technology-literate CPAs produce more revenue per partner, with less effort. Training beyond the required CPE hours is necessary to be successful.

#### What are three ways firms can successfully manage technology integration in today's accounting world?

1. Firms should review processes at least twice a year. Focus on simplification and training users on new procedures.
2. Reduce the number of systems in use and connect the systems you have. Many firms have four to six databases — covering anything from practice management to tax, document management, email and business development. Accountants should be able to enter or update client information once and have this information flow through the system.
3. Use the right technology tool for the job. In some cases, mobile, tablets or portable computers may not be the most effective tool for the situation. In other cases, they are perfect. Be thoughtful and proactive; choose and use the right tool for the task at hand.

Two-thirds of **Very Prepared** firms say they have these 19 core technologies in place today, compared to just over half of **Less Prepared** firms.

Figure 6. Adoption Rates for All 19 Core Technologies



# Digital Mobility Opportunities

Nearly 80% of **Very Prepared** firms say digital mobility opportunities will play a “very significant” role in their business within the next five years. And for most accounting firms, it’s no longer a question of whether to broaden their digital platforms. It’s a matter of how to move more of their business online.

Leveraging mobile devices and digital platforms, according to the survey, help firms reduce capital costs, increase client service and improve employee productivity. Furthermore, half of all firms say consolidating and integrating cloud-based information repositories will help improve their security and backup procedures.

In many respects, digital mobility functions as the connective tissue between the survey’s top two trends: client service and technology integration. In other words, digital mobility adds a deeper dimension to client service and delivers real business value when enabled by technology integration.

While digital mobility enables technologies that connect trends No. 1 and 2, it also extends technologies that add valuable flexibility and functionality.

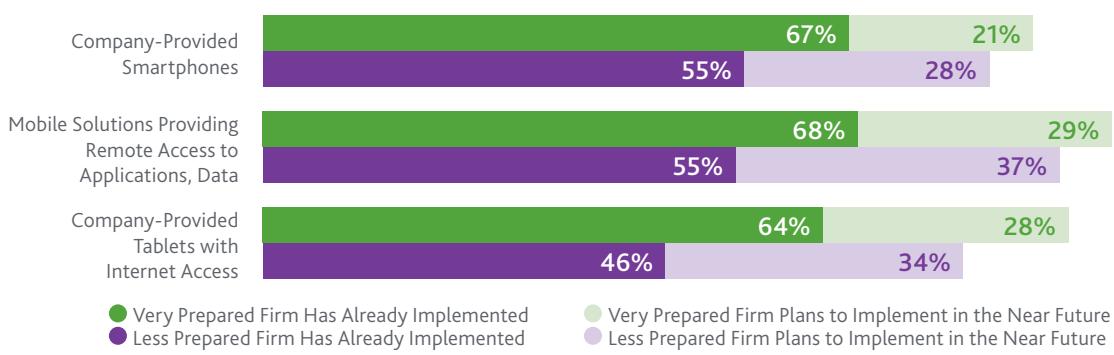
Survey findings show noticeable differences in digital mobility implementation rates between **Very Prepared** and **Less Prepared** firms. For example, note the gaps between the groups when asked if they’ve already adopted digital mobility technologies. (See Figure 7)

Among the 93% of accountants who say they’ve already implemented mobile solutions or have plans to within the next three years, the No. 1 benefit they’ve realized (or hope to realize) is improved client service, followed by improved productivity. (See Figure 8)

Figure 8. Benefits Realized, Anticipated from Mobility Solutions

	All	Rank
Improve client service	58%	1
Improve productivity	55%	2
Improve work/life benefits for staff	49%	3
Ability to work onsite more with clients	48%	4
Expand locations served	41%	5
Increase billable time	40%	6
Attract and retain employees	40%	7
Leverage greater use of staff from other geographies	37%	8
Reduce real estate requirements	27%	9

Figure 7. Accountants’ Mobility Technology Implementation



Several industry experts, such as Gartner, identify cloud computing as one of the largest components of IT spending over the next few years. The data in the 2014 Wolters Kluwer, CCH—Accounting Firm Preparedness Survey supports this, as 94% of accountants say they've already implemented or plan to implement cloud computing within the next three years. Sixty-two percent of the **Very Prepared** firms say they have already adopted cloud technology compared to 55% of the **Less Prepared** firms.



Overall, the No. 1 benefit firms have realized (or hope to realize) is "the ability to work anywhere, anytime." Interestingly, however, the second biggest benefit to cloud computing is "improved security and back-up procedures." (See Figure 9)

Figure 9. **Top Five Cloud Computing Benefits**

1. Ability to work anywhere, anytime	59%
2. Improved security and back-up procedures	50%
3. Ability to serve clients in any geography, nationwide, globally	50%
4. Reduced IT costs	49%
5. Improved collaboration with clients	47%

Earlier this year, Boomer Consulting, Inc. issued a report titled ["Unlocking the Secret to High Growth through Technology,"](#) which was a result of the 2014 Professional Insights Survey, that shed light on the security and backup benefits firms experience when moving to the cloud.

The report states that "by moving to cloud-based solutions, backups are becoming less complex, and the security the firm feels will increase greatly." And according to Jake Jacobs of Marks Nelson in Portland, Oregon, the number one reason the firm moved to CCH Axcess™ in late 2013 was business continuity. When asked why his firm made the investment to move to the cloud, Jacobs replied: "How much does it cost to not move to the cloud? What happens if we can't work for a week or two?"

Digital mobility creates a deeper and different level of flexibility and security in the workplace than what existed just a few years ago. But which firms are primed to use its benefits to create greater value for themselves and their clients?

## DIGITAL MOBILITY EXPERT SPOTLIGHT: **Sandra Wiley** *Shareholder, Boomer Consulting, Inc.*

**What are the client advantages when firms embrace digital mobility?**

Clients are living in the same digital and mobile world that we are. They are able to bank from the comfort of their home, check investments online or from their mobile device, and run their own businesses from their iPads and laptops. So, they expect that their accounting professional will be at the same place.

**Are accountants really as prepared to "go mobile" as they think?**

Yes and no. Many are prepared to fully embrace mobile technologies today and are hungry for more tools. However, we are still learning what tasks are best performed in a mobile environment and what is best done sitting at a computer. As clarity emerges around the true mobile needs of accountants, developers will create the tools to meet demands, and accountants will be increasingly ready to go all-in on mobile.

**How can firms enhance their digital mobility?**

1. Join a peer community of technology professionals who will provide access to experience, expertise and personal development outside your firm.
2. Build education around digital mobility into your overall training plan.
3. Ensure that current leaders in the firm are using the top digital tools available today.

# Talent Management & Succession Planning

Firms often say that employees are their most valuable asset. But some may argue or expect that technology is giving people a run for their money. After all, technology integration stands as the No. 2 trend impacting the future of accounting firms. But while technology enables preparedness, people ultimately determine a firm's success.

According to the survey responses, the No. 4 trend "talent management and succession planning" isn't just about hiring and retaining the best people, or planning for their eventual departures. It's about how firms are enabling their most valuable asset to deliver maximum impact and value while creating a competitive advantage.

As CEOs and partners edge closer to retirement, they must focus on aligning future leaders with future business objectives for greater growth and profitability — equipping the firm of the future to provide client solutions, not just services.

The survey shows firms across the country acknowledge talent management and succession planning as a top trend impacting the future of their firms.

And while not all **Very Prepared** firms are ready to take advantage of talent management and staff succession planning in the future, nearly 70% are. Compare that to the 30% of **Less Prepared** firms.

Of course, there's an important relationship between this trend and a firm's client-service imperative. Firms assume an important responsibility to better manage their existing talent and to prepare for the eventual exodus of top leaders — if not for the firm itself than certainly for its clients' sake.

According to Bill Carlino, Managing Director of Transition Advisors: "Over 60% of equity partners in U.S. public accounting firms are over the age of 50, and 75% of the membership of the AICPA will be eligible to retire by the year 2020. That translates into a huge talent void. Larger firms with 50 or more employees typically have formal succession plans in place, with efforts to retain talent. Among smaller firms with less than 25 employees, roughly 70% do not have any type of succession plan in place nor path to equity among their employees."

So, are today's accounting professionals shirking the responsibilities of their business and putting their clients' well-being at risk? Is the accounting profession's failure to plan a collective plan to fail?



## TALENT MANAGEMENT & SUCCESSION PLANNING EXPERT SPOTLIGHT:

# Allan D. Koltin

*Chief Executive Officer, Koltin Consulting Group, Inc.*

### What is good talent development?

Good talent development is getting people to a place in their professional career that they probably could not achieve on their own. Great managers and leaders have the unique ability to see the strengths of individuals and execute a strategy that helps them realize their potential.

### Are accounting firms managing talent and succession well?

Only 2 to 5% of our profession has figured out the "art" of not just managing and maintaining talent but also creating a pathway for that talent to excel at a firm. Ninety percent of firms have a mentoring program, but too few are doing any real mentoring, coaching or talent development. It's like the story of the doctor coming out of the operating room saying, "The operation was successful, but the patient didn't make it!" Succession planning is important as well. Firms without a succession plan risk having to merge, or accept that they will have a "revolving door." Great talent won't stay at a firm that is not committed to succession planning.

### How can firms successfully manage talent and succession planning?

1. Plan to spend money today for a better tomorrow.
2. Spend time recruiting the best talent and developing them to become your firm's future leaders. Any time you have a client or potential client meeting, always include young associates. They'll learn a lot more sitting in front of a prospect or client than at their desk.
3. Firms should develop a "depth chart" annually, just like NFL football teams. For each individual at the firm, assess where they are today in terms of performance, as well as to what level their current career path will take them. Calculate how many years it will take for them to get to the desired position. Then apply a 50% probability factor to the whole group — for every two people you plan on being around, only one will ultimately end up there!



# Social Media as a Business Tool

Rounding out the five trends of the 2014 *Wolters Kluwer, CCH—Accounting Firm Preparedness Survey*, social media — used as a business tool — functions much like digital mobility, the survey's No. 3 most significant trend. That's because it offers firms a way to deepen the value and benefits of other trends.

For instance, social media enhances client service and, if used properly, can contribute to the benefits derived from technology integration.

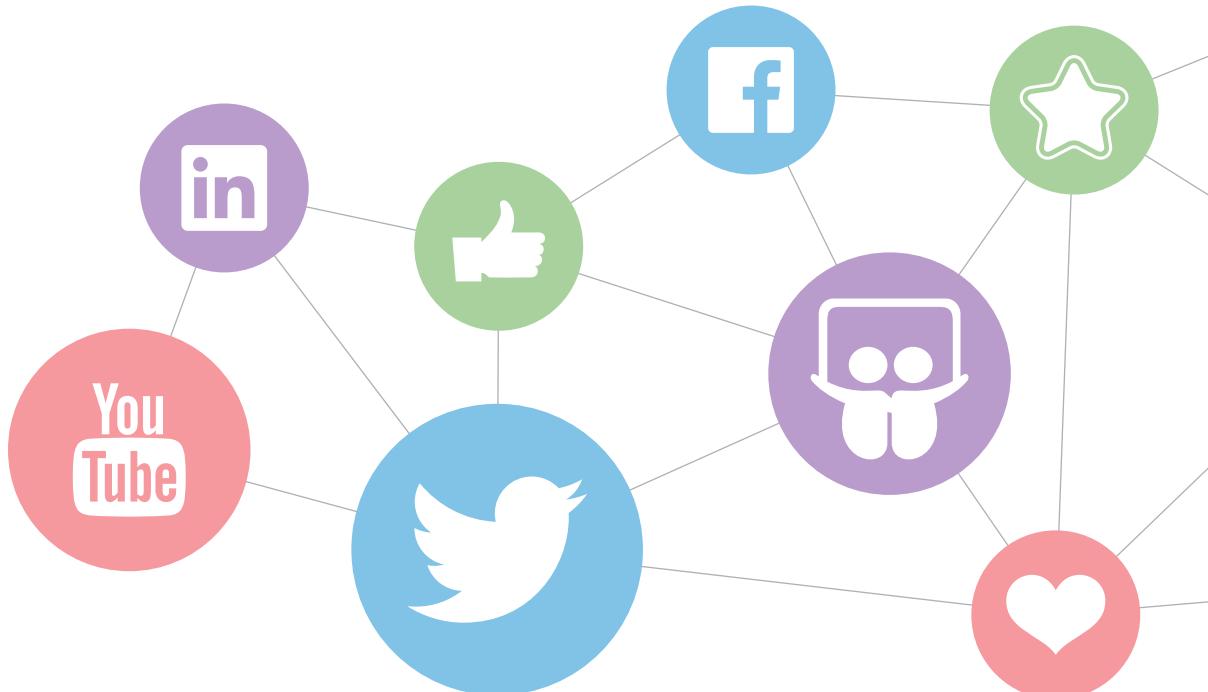
But who's actually using social media today and who plans to in the future? Today, 69% of **Very Prepared** firms have already implemented social media as a business tool while 28% plan to in the future (97% total). Among **Less Prepared** firms,

55% have already implemented social media tools while 34% plan to in the future (89% total). (See Figure 10)

Only 10% of all firms in the survey have no plans to use social media for client service, collaboration or communication. While more and more firms are jumping on the social media bandwagon, what value are they seeing from it?

The greatest benefits to having a social media presence, firms say, is to enhance client satisfaction — a testament to this new era of continuous client service. But not far behind is the benefit of attracting and winning new business.

Figure 10. Accountants' Social Media Implementation



## SOCIAL MEDIA EXPERT SPOTLIGHT:

# Tom Hood

*Chief Executive Officer, Maryland Association of CPAs, Inc. — Business Learning Institute*

### Are accounting firms successfully using social media today?

Today, accounting firms of all sizes are missing tremendous opportunities to benefit from social media. Social media is a tool for finding new clients, engaging with existing and prospective clients, as well as talent.

### How should firms use social media as a business tool?

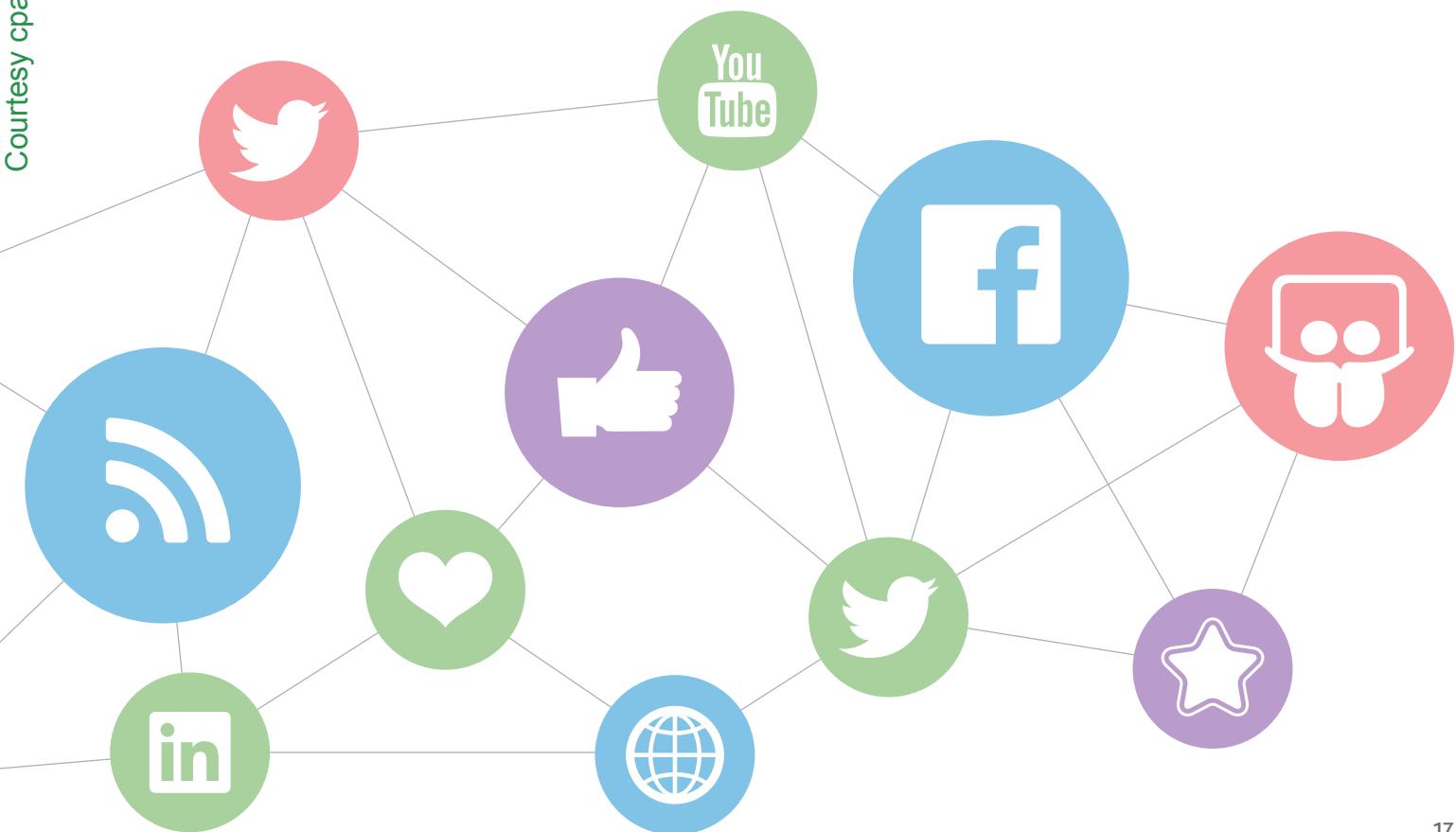
Using social media to “listen” to clients and understand their industries is a powerful way to connect and deepen your client relationships. Re-tweeting, “liking” and sharing their news and stories can keep your firm in front of the market continuously.

Social media can increase a firm’s credibility and distinguish it in a noisy marketplace. In order to be credible, a firm must be visible — and not just for its marketing content. Using social

media to communicate links and resources is the best way to provide value, establish thought leadership and improve your visibility in web searches.

### What tips can you offer for firms exploring a social media strategy?

1. Start with a social media strategy based on your firm strategy. Where do you want increased credibility and visibility?
2. Select the social media channels (such as Twitter, Slideshare, a firm blog or LinkedIn) that fit your strategy. Commit to just 2 to 4 social media channels to start.
3. Listen first before joining the social conversation, and use marketing messages sparingly. A firm should share 5 pieces of value-adding content for every marketing message.



# The Path Forward

Throughout this white paper, survey findings showcase the benefits accounting firms experience when they're better prepared. The **Very Prepared** — those 18% of firms who report feeling most ready to take advantage of the profession's top five trends — teach firms that preparedness is a blend of attitude and action. Understanding the significance and impact of future trends is part and parcel with preparing for changes in people, process and technology.

This white paper also revealed that technology acts as the backbone that enables greater productivity and profitability.

From the onset of a client engagement, **Very Prepared** firms are able to put cash in the bank 10 days faster than **Less Prepared** firms. **Very Prepared** firms also state stronger growth objectives with more than half projecting growth of 6% or more over the next three years.

In addition to experiencing greater productivity, profitability and preparedness within the firm, **Very Prepared** firms report having clients who are also better prepared for the future.

The **Very Prepared** report being highly attuned to changes in their clients' business landscape. They say they're able to better spot the significance and complexity of global client issues like information security, digital mobility, regulatory complexity and more. (See Figure 11)

And because the **Very Prepared** seem to have "preparedness antenna" that extend beyond their own firms into their clients' businesses, they find themselves better equipped to help their clients manage critical changes. (See Figure 12)

The survey found an overwhelming majority of firms (88%) place a heavy premium on the importance of client service, making it the No. 1 trend facing accounting firms in the future. But the key to achieving better client service isn't just in better firm preparedness. It's a process of understanding and anticipating the needs of clients both now and in the future. Firms that are better prepared to face their own challenges, and claim to have better prepared clients, may find themselves assuming the role of "preparedness advisor," ultimately guiding clients along a more profitable journey into the future.

"Clients want proactive strategic advice from their accountant," says Doug Sleeter, Founder and CEO of The Sleeter Group, Inc. "If you put yourself out as a change leader — one who understands your clients' businesses, perhaps even better than they do — they'll follow your leadership. The most successful accountants will become more involved with their clients' operations, and evolve into strategic business consultants."

Figure 11. Trends That Will Have a Very Significant Impact on My Firm's Clients in the Near Future (Next 5 Years)

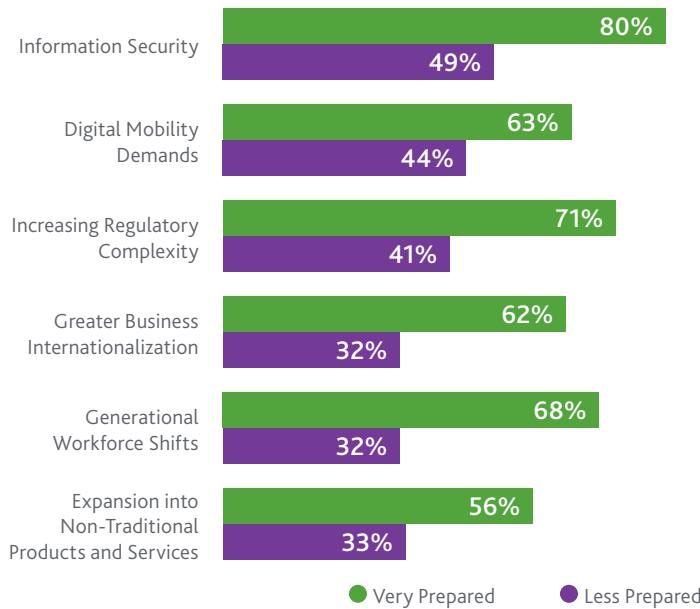
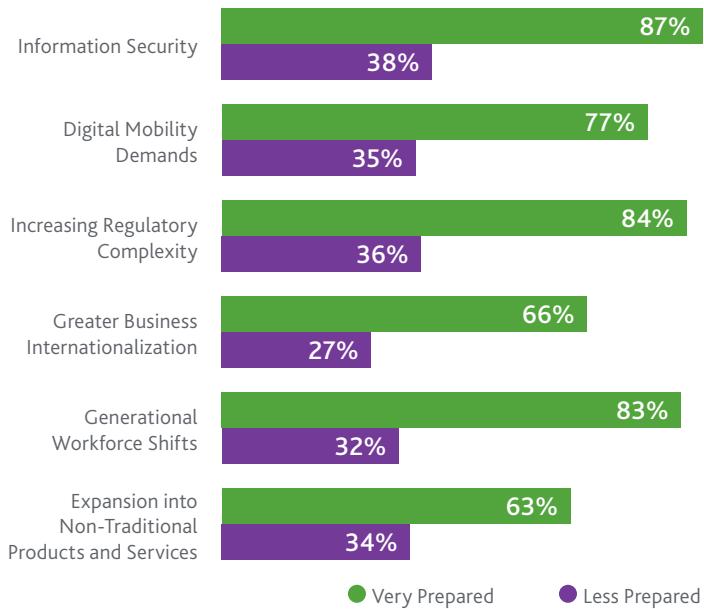


Figure 12. Is Your Firm Well Prepared and Positioned to Provide the Best Products and Services to Your Clients to Help Them Take Advantage of These Trends?





# TOP TIPS FOR Better Firm Preparedness

As this white paper demonstrates, firms that adopt best practices and adapt quickly to changes in the profession report increased profitability and productivity, and have clients who are better prepared. Here are a few tips from this white paper's Expert Spotlights and data points to help firms take important steps toward greater preparedness:

## *Tips for Improving Client Service:*

- Become your client's "preparedness advisor," helping them understand and tackle the changes most important to their business.
- Meet twice a year with the 20% of your client base that generates 80% of your firm's revenue to discuss their goals, challenges, needs and wants.
- Invite younger talent to "shadow" client interactions and sit in on prospect meetings.

## *Tips for Digital Mobility:*

- Ask whether a more "virtual" work environment is right for your firm. Mobile devices and cloud computing can enhance your firm's flexible work options and boost client interactions.
- Join a peer community of technology professionals who will provide access to experience, expertise and personal development outside your firm.
- Ensure that current leaders in the firm are using the top digital tools available today.

## *Tips for Talent Management & Succession Planning:*

- Remember succession planning is a form of talent retention. Great talent won't stay at a firm that is not planning for their futures.
- Always include young associates any time you have a client meeting or are meeting with a potential client.
- Take a tip from the NFL: Develop an annual "depth chart" and assess where your talent is today in terms of performance.

## *Tips for Integrating Technologies:*

- Remember that technology-literate accounting professionals produce more revenue per partner, with less effort.
- Review your processes at least twice a year, focusing on simplification and training users on new procedures.
- Explore cloud-based firm management tools like CCH Axcess to help grow, manage and protect your business.

## *Tips for Social Media:*

- Use social media to find new clients, engage with existing ones and scout prospective employees.
- Start with a social media strategy based on your firm strategy. Ask: Where do I want increased credibility and visibility?
- Listen first before joining the social conversation and use marketing messages sparingly.
- Re-tweet, "like" and share client news to keep your firm top-of-mind and in front of the market.

## 2014 Wolters Kluwer, CCH — Accounting Firm Preparedness Survey

The 2014 *Wolters Kluwer, CCH — Accounting Firm Preparedness Survey* was conducted online in August 2014, with 440 accounting professionals specializing in tax, audit CFO/consulting and other financial services at CPA-led firms with two to 500+ employees. This survey was conducted for Wolters Kluwer, CCH by Toluna, a major market research company in conjunction with Golin, a leading marketing consultancy.

### About Wolters Kluwer, CCH

Serving tax, accounting and business professionals since 1913, Wolters Kluwer, CCH is a leading global provider of tax, accounting and audit information, software and services. Wolters Kluwer, CCH is part of Wolters Kluwer ([www.wolterskluwer.com](http://www.wolterskluwer.com)), a market-leading global information services company. To learn more about Wolters Kluwer, CCH software, research and integrated workflow solutions, visit [CCHGroup.com](http://CCHGroup.com) or call 800-739-9998.

For additional copies of the 2014 *Wolters Kluwer, CCH — Accounting Firm Preparedness Survey* white paper, please go to [CCHGroup.com/PreparednessSurvey](http://CCHGroup.com/PreparednessSurvey)

