



Guide to MOVING FROM WORKFLOW TO BUSINESS PROCESS MANAGEMENT

by Boomer Consulting, Inc.

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Introduction

Introduction

In today's competitive marketplace, you are likely feeling pressure from clients to provide more services for lower fees. What makes your firm successful is its unique blend of staff, firm culture, institutional knowledge and business processes. Your firm needs to maximize output while maintaining near perfect quality. This is necessary to remain competitive, but it's equally important to allow time to focus on value-added services and show the value your firm adds to clients' businesses. Ultimately, this leads to more fulfilled staff, more engaged clients, better opportunity identification and growth.

A critical step in maximizing output is minimizing wasted time. In CPA firms, lost time is often found in excessive administrative tasks, personal preference items and poor communication. Many firms have implemented workflow to ameliorate these issues, however, due to the nuances of their processes and software limitations, often times the full scope of the firm's unique business process isn't fully represented. Instead of marrying their software with their unique business process, most firms align processes to fit into the framework allowed by their software.

For your firm to gain full visibility and control, maximize efficiency and increase profits, you need to move beyond workflow to business process management software that easily and intuitively automates your unique business process.

In this guide, we will walk you through:

- History of workflow and business process management
- The current landscape of CPA firms
- The next generation of business process management
- Aligning your workflow with your firm's unique business processes
- Current trends in business process management

When you are finished reading this guide, you will have a deeper understanding of how the right business process management software can ameliorate your current unique business process, build your firm's value and separate you from the competition.

Part 1

History of Workflow and Business Process Management

Many firms started their workflow journey with the introduction of paper routing sheets to track projects and processes. Paper routing sheets were an important quality control tool for tracking steps in a workflow.

Over the past five to ten years, firms have invested in automated workflow software.

In its simplest form, automated workflow software does the following:

1. Replace your due date tracker
2. Become the primary source for project status
3. Be the single repository for all engagement communications, such as notes and open items
4. Easily adapt and scale to your firm's unique business process

Unfortunately, this is where most workflow applications stop. Most workflow applications do not allow you to reflect your firm's unique business processes accurately. Often, the firm's workflow application acts as a glorified task tracker.



Current Landscape of CPA Firms

The first evolution of automated workflow software was a leap forward from paper routing sheets and allowed firms to realize some benefits, such as:

- Greater transparency into project listing and status
- Greater ability to track due dates
- Improved efficiency and flexibility when assigning work

However, the current landscape is filled with many limitations:

- **Firms are required to conform to the software.** The software does not conform to fit the firm. There is limited flexibility, and most changes can only be made by the vendor. Often, firms are left waiting to see if their changes are in-line with what the vendor would like to pursue.
- **Some changes require a developer.** Even larger firms with these resources are still limited in the changes they can easily make. Even when the change is possible, time, effort and cost play a large part in the final decision as to if and when the changes are made and implemented.
- **Adds administrative time.** Rather than assist the user, the workflow software adds more administrative work. The workflow functions as a tracking system and relies on the user to manage the process. Users need to know when to move from one status to the next – the software offers limited guidance.
- **Not integrated.** Automated workflow software may not integrate with other systems. Even software sold as a suite isn't completely integrated in a way that suits your firm's unique process. Unfortunately, your firm ends up with silos of information resulting in the duplication of efforts when updating, tracking and reporting on engagements. Furthermore, most applications are only able to capture one type of process – tax or audit, not both and definitely not any other processes that are unique to your firm.





In addition to the above limitations, processes within these applications are also limited. Your vendor supplies templates for processes your firm must adapt to, homogenizing your unique business process to that of other firms that are also using the same vendor. Process and efficiency consultants and experts are not involved in defining your process, and there isn't a proper reporting procedure in place to allow for continued process improvement. Your firm must learn how to fit into the box provided by the vendor, which does not adequately leverage your firm's unique mixture of talent, expertise and resources.

These limited versions of an automated workflow tool do allow your firm to better track and manage projects. Perhaps more importantly, they set the stage for an evolving, flexible and adaptable automated Business Process Management solution: Amelio.

Part 2

Amelio: From Workflow Automation to Business Process Management

Amelio, founded in 2009, is a pioneering technology in the accounting profession and an example of what a next generation workflow can offer. Focused on business process management, Amelio provides a flexible and scalable hosted - or on-premise - workflow solution that allows you to leverage your unique processes and showcase your firm's experience. Amelio is easy to deploy and does not require any additional investment in a technology expert. Templates and workflows are simple to create, ensuring the subject matter experts are able to create and monitor processes without deep knowledge of the underlying technology.

A next-generation, business process management solution should have the following capabilities:

Logic Driven. A workflow engine should allow business logic to be built into the process. This will intelligently open, close and assign roles and tasks based on the rules of the firm. This ensures the right person is involved in the engagement at the appropriate time, resulting in better control, management and visibility of your firm's work.

Rules-based business process management can:

- Require additional reviews based on complexity of the tax return or engagement
- Show or hide e-file steps depending on filing method
- Ensure fieldwork doesn't begin until planning is complete
- Alert the tax department to begin preparing the return when the audit process is complete or nearing completion
- Initiate billing process upon delivery of tax returns or financials or other deliverables.
- Adjust the questions asked on the client acceptance questionnaire based on risk

No other automated workflow solution has business logic built in.



Live Updates. Amelio has a unique and proprietary ability to allow you to seamlessly or automatically push changes to rules, role assignments, forms or tasks, without disrupting the current work. This results in everyone following the same process regardless of when the engagement is started or when the updates are made. Version control becomes a non-issue.



Seamless Integration. Your accounting firm uses a unique mixture of applications. To be fully leveraged, your workflow system must be the operational hub of all processes. In addition to having built-in integrations with popular accounting systems, you must have an open workflow system which allows you to easily integrate with any other system that you use, accounting or otherwise. This capability results in a seamless process for your users leading to more efficiency, fewer errors and more time spent on nurturing the client relationship and opportunity.

Amelio's integrations and open APIs integrate with project management and CRM systems, including Salesforce, Sharepoint, DocuSign and Practice Engine.



Open, Powerful Reporting System. When your business process management software is connected to all of your systems, all of your data will be captured in one system. Anyone in your firm can easily generate any report, resulting in easier identification of bottlenecks and which resources you are lacking and allowing for continuous and measurable improvement.

Sample Reports



“MHM prides itself on delivering high-quality audit and assurance services to its clients. In our efforts to create a seamless and efficient workflow, we sought a technology platform that was flexible enough to manage our proprietary audit methodology. Amelio offers us an impressive degree of customization and flexibility that has allowed us to build and run our proprietary audit methodology and our engagement process workflow. When we need additional support and ongoing development activities, our Amelio team is there, providing us proactive functionality and reporting. With our customized Amelio solution in place, we were able to achieve efficiencies within the first year, equating to significant savings in time. We continue to further streamline our processes and improve the quality of service we deliver to our clients.”

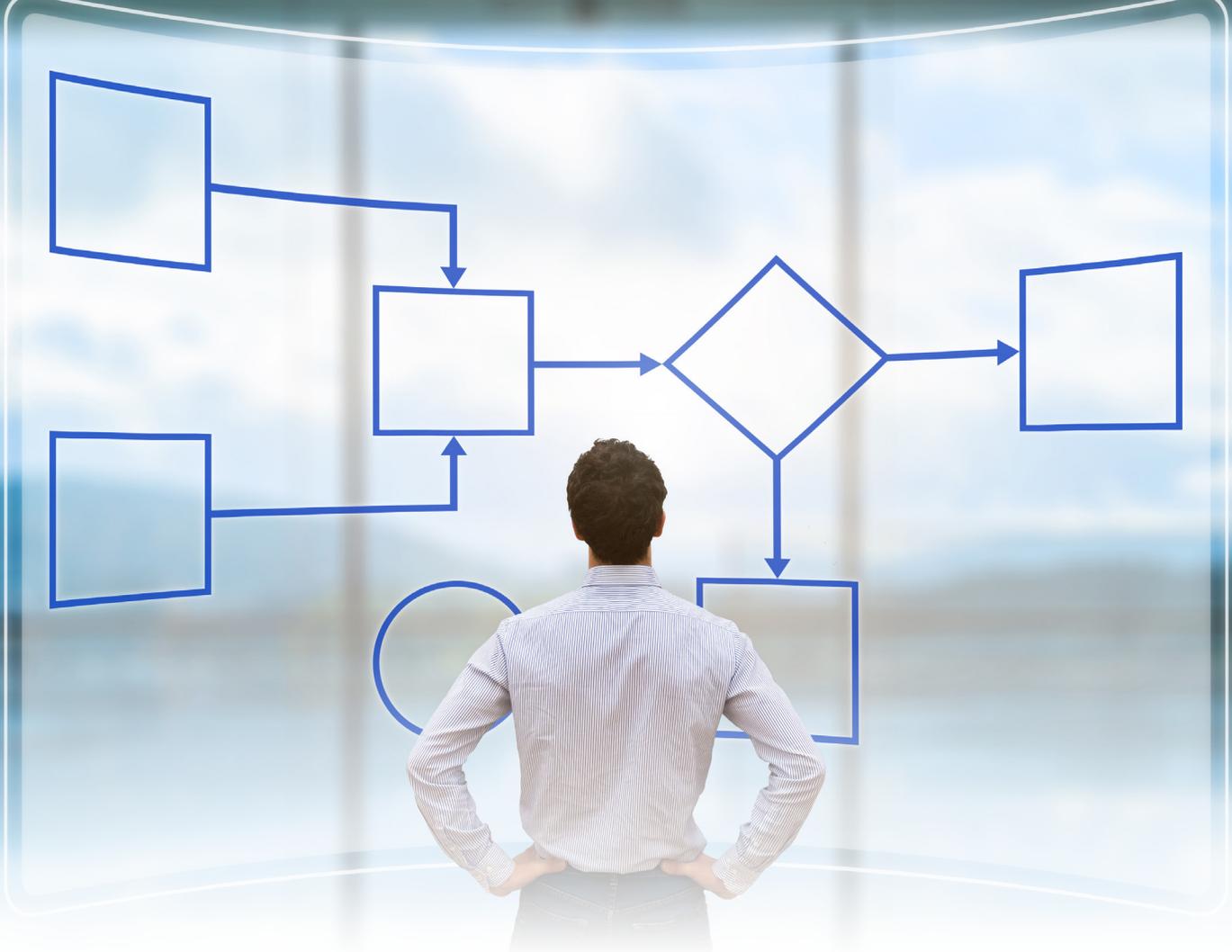


Andy Burczyk
President
Mayer Hoffman McCann P.C.



As your firm grows, your business process management solutions must scale and grow with your firm. This may include the ability to easily absorb and gain conformity of a newly acquired company, automating additional processes or expanding the scope of the processes you currently manage. You may need to automate sub-processes, concurrent processes or involve external users, such as clients, specialists, consultants or other third parties involved, in the process. The combination of Amelio's open architecture and logic can scale to manage even the most complex processes.

Part 3



Aligning Your Workflow with Your Unique Business Process

We have all heard the saying; “you need to learn to walk before you can run.” Most firms have tried to leverage technology applications and improve processes on their own but get bogged down in the details. When trying to improve processes and technology utilization, you need to focus on the bigger picture.

The question is “How?” How do you go about ensuring that your firm is leveraging its technology and fully capturing your unique business process in your current workflow application? This is when you join forces with a Lean consultant.

What is Lean Six Sigma?

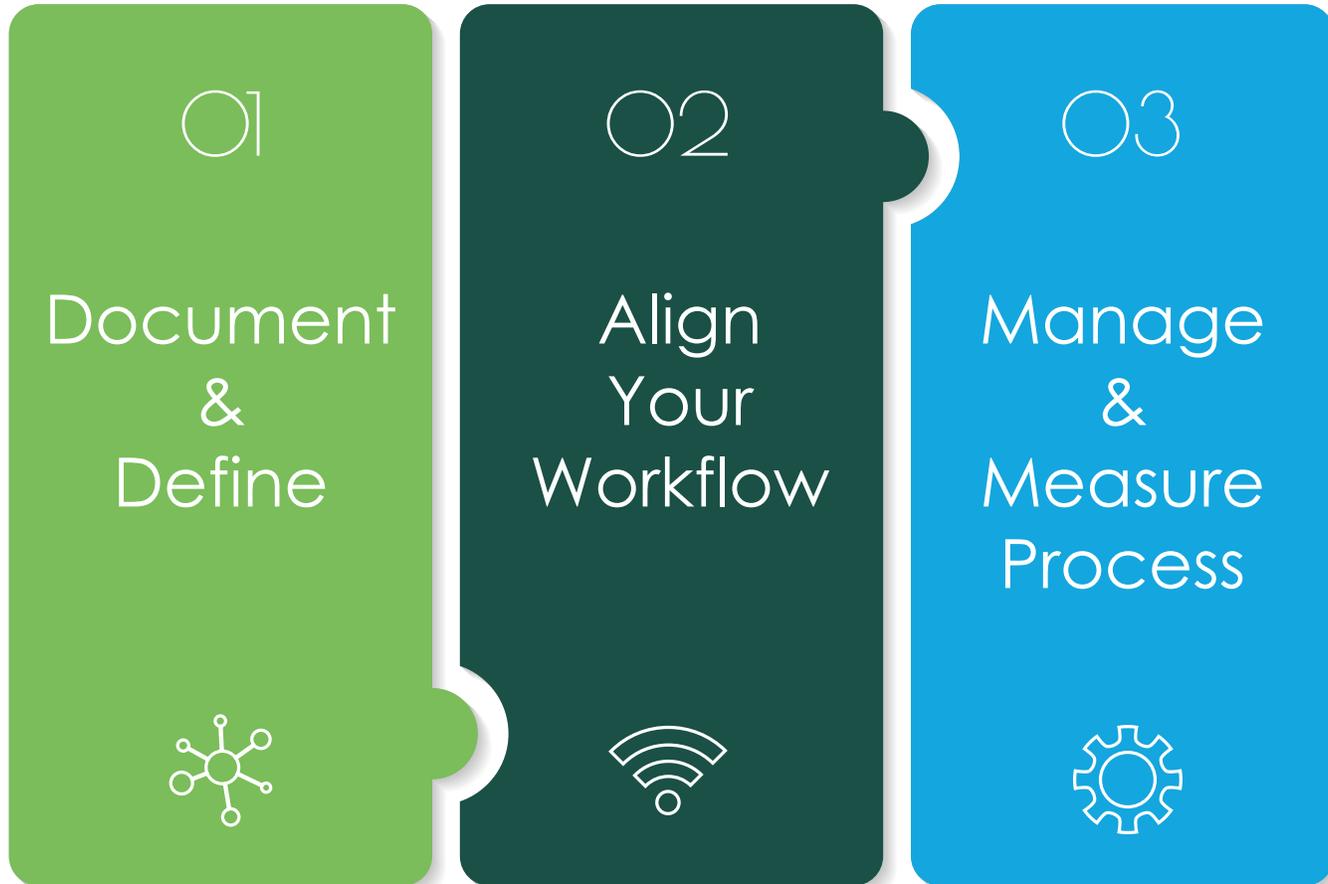
Lean focuses on the efficiency of a process and Six Sigma focuses on quality. Effective processes must have the correct balance of both efficiency and quality.

Boomer Consulting, Inc., has a proven track record of working with firms to help them continually improve their processes and leverage how they use their technology. Our Lean Six Sigma process consultants will focus on your firm and leverage his or her industry experience to make sure your firm is pushed beyond what you thought was possible.

Inevitably, discussions during many of our Lean process improvement projects focus on how leading firms are leveraging technology software to reduce time spent on compliance projects.

When automating your workflow, it is important to focus on these three objectives to ensure your firm's processes are future ready:

- 1. Document and define current processes.** When investing in an automated workflow application, it is important to do more than just move your existing process into the new program. Start by understanding how work is currently assigned and travels through the firm. Then, think about what you want it to be. Don't let this process be influenced too much by who does what today. The ideal business process management solution may redefine roles.
- 2. Align your workflow application to the actual steps in your process.** Your firm can purchase the best technology available on the market, but if your processes and technology aren't aligned, your processes will fail. Syncing workflow with your processes gives your firm the ability to do more.
- 3. Ensure your workflow application manages and measures the process;** i.e., it's not just a tracker. Even the best process improvements will fail over the long term if there is no accountability. A business process management solution lets firms build accountability into every step of the process because it creates visibility and drives accountability.



When you look at your business process management software, you need to make sure it can help you get better, not hold you back. It needs to provide you with metrics like:

- Total time from the receipt of client data through deliverables to the client
- Average days in preparation versus average days in review
- Days in each step
- Days of fieldwork
- Days between end of fieldwork and draft of financial statements to client



Once baseline metrics are identified, focus on continuous improvement to improve your processes. By tracking these types of metrics and making them visible, it's hard to avoid seeing what is actually happening in your processes. Waste is more readily apparent. Opportunities abound.

A business process management application that allows you to analyze results helps you identify more areas to work toward improving, such as billing, tax, audit, engagement acceptance/continuance, engagement letters and other unique services you offer.

You can also look to expand the scope of what is currently managed. For instance, maybe today your process manages from the receipt of client documents through the issuance of a tax return. Perhaps in the future, you can manage from the time a PBC list is sent to the client, through billing.

So, back to the How question: How do you go about ensuring that your firm is leveraging its technology and fully capturing your unique business process within your current workflow application?

How do you ensure your firm continuously improves efficiency resulting in maximized output, maintained quality and continued growth? By working with a Lean consultant who will push the boundaries of your firm's capabilities.

A Lean consultant can help you craft consistent and efficient business processes that leverage relevant technology, helping maximize the value of your work and improve your bottom line. With knowledge of proven process improvement techniques that are customized to your firm, your people and your culture, a Lean consultant allows you to remain focused on the big picture and pushing your firm beyond what you think is possible.

Part 4



Current Trends in Workflow and Business Process Management

Let's look at some of the trends we're seeing in firms today.

Overall client management

When most firms began implementing workflow applications, they only considered tracking basic service areas. As firms have seen the benefits of workflow and have evolved to offer more services, they are looking to move beyond simply tracking workflow to manage processes across more areas of their firm, such as:

- Miscellaneous tax filings such as sales tax and payroll tax
- Estimated taxes
- Consulting engagements
- Bankruptcy engagements
- Litigation support
- Client acceptance and on-boarding

As firms do more value-added work, they're realizing these projects need to be tracked and controlled in the same way that traditional tax and audit services are. They want to manage every project, even if it's just high-level milestones.

We also see firms expanding the scope of what they are including or collecting in their business process management. This goes beyond traditional due dates and deliverables to include things like budgets, assessments of the client's current financial status, overall company health, goals and vision and more.

Engagement letters from creation to signature

Another trend in the evolution from workflow to business process management we see is the spin-off of a specific task from the original overall project.

Consider an audit engagement letter. An audit workflow typically involves obtaining a signed engagement letter as one of the earliest steps in the project. But what actually happens is we receive the client information and get to work, assuming the signed engagement letter will come in before the audit is complete. Occasionally, you discover you've delivered the financial statements to the client and don't have the signed engagement letter.

This might be considered low risk in certain circumstances, but the fact remains that the engagement letter is our contract. It's how we manage client expectations and control liability. This is where we manage our client's expectations and our pricing and scope of work.

Firms realize that the engagement letter really deserves more effort and attention than they're putting into it. They're building processes to automate and control engagement letters, either as an extension of the engagement acceptance process or as a stand-alone process.

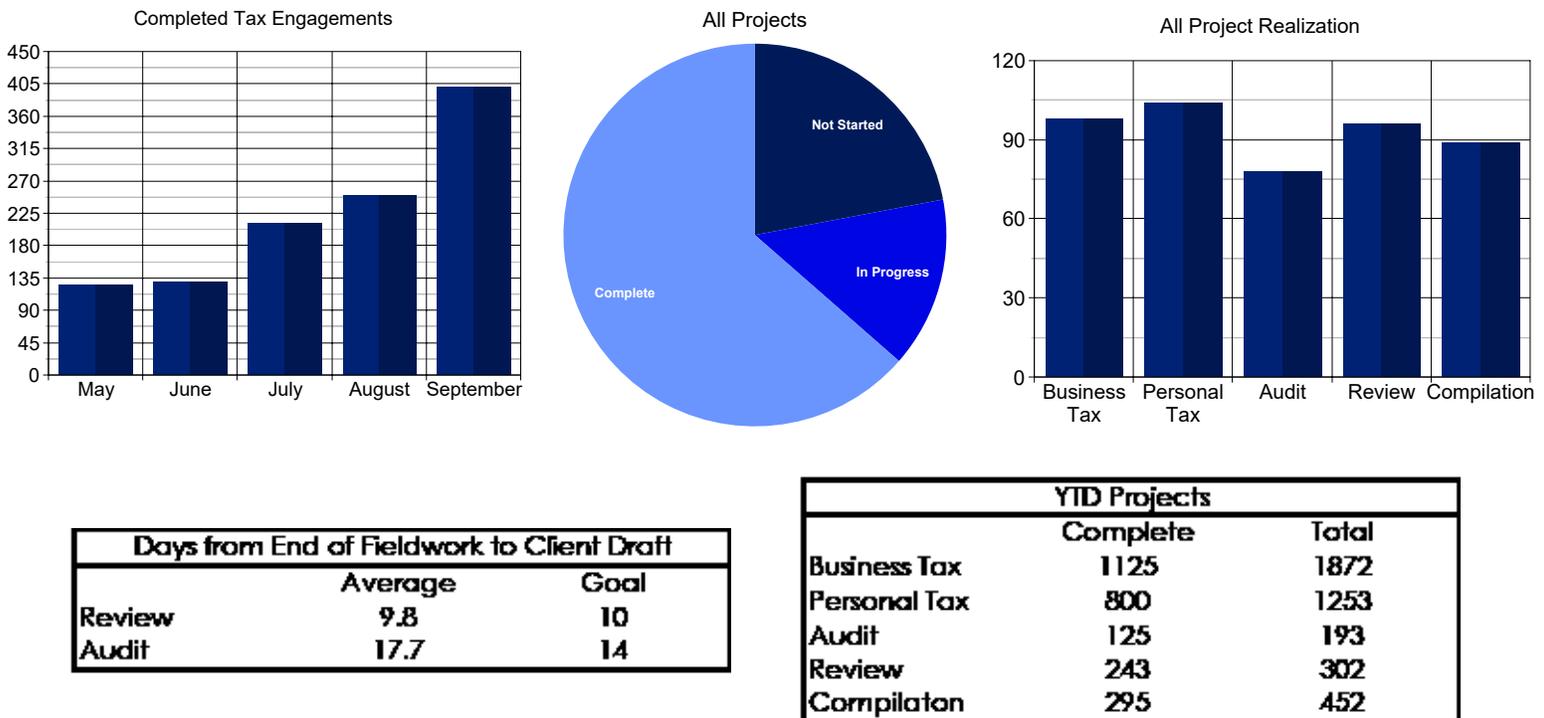
Amelio is the first business process management solution to give engagement letters the attention they deserve. After the user answers a few questions, the software generates a formatted engagement letter that can be attached as a Word document or PDF and sent to the client for signature using DocuSign.



Business intelligence and analytics

Speaking of data, we're seeing more firms implement stand-alone Business Intelligence tools that combine data from their automated workflow tool and other systems, including time and billing. Being able to reconcile data from different systems helps firms feel confident that all jobs have been accounted for.

With more control over what data is being captured, firms are creating more useful and interesting reports that they can use to make smarter business decisions both for the client and the firm. We pointed out some key metrics to consider in Part 3. Firms are creating dashboards that compare workflow metrics with legacy firm metrics (see below). Having the ability to dive into the data gives firms better insight into the industries they represent and current trends in their own business.



The dashboard above is an example of the type of information firms are pulling into a dashboard. Using open, accessible databases from disparate software programs, firms can:

- track the number of projects that haven't been started, are in process and have been completed
- compare average turn-around time for projects of varying complexity levels with goals
- confirm whether longer projects equate to lower realization

These are just a few examples of metrics a firm may track to ensure that all jobs are accounted for and help make better decisions about staffing, assignments, client acceptance and more. These kinds of insights could mean the difference between a firm merely breaking even or realizing record profits.

Part 5



In Summary

What can your firm accomplish if you leverage the collective power of process management, technology and business intelligence? Some of the results we've seen include:

1. Decreased hours and costs and improved profitability per engagement
2. Improved client experience and satisfaction
3. Ability to build upon compliance and transactional services to provide higher-value, more consultative-based services

We can all agree that you can't manage what you can't see. Your firm depends on its unique business processes to keep the firm aligned with employees and clients, aware of where your gaps are and able to easily assess the overall health of your business. However, if your current process isn't easy to use and scale, isn't centralized and reportable, doesn't intuitively think outside the box and isn't completely captured within your business process management system, there is most likely more to your business than meets the eye.

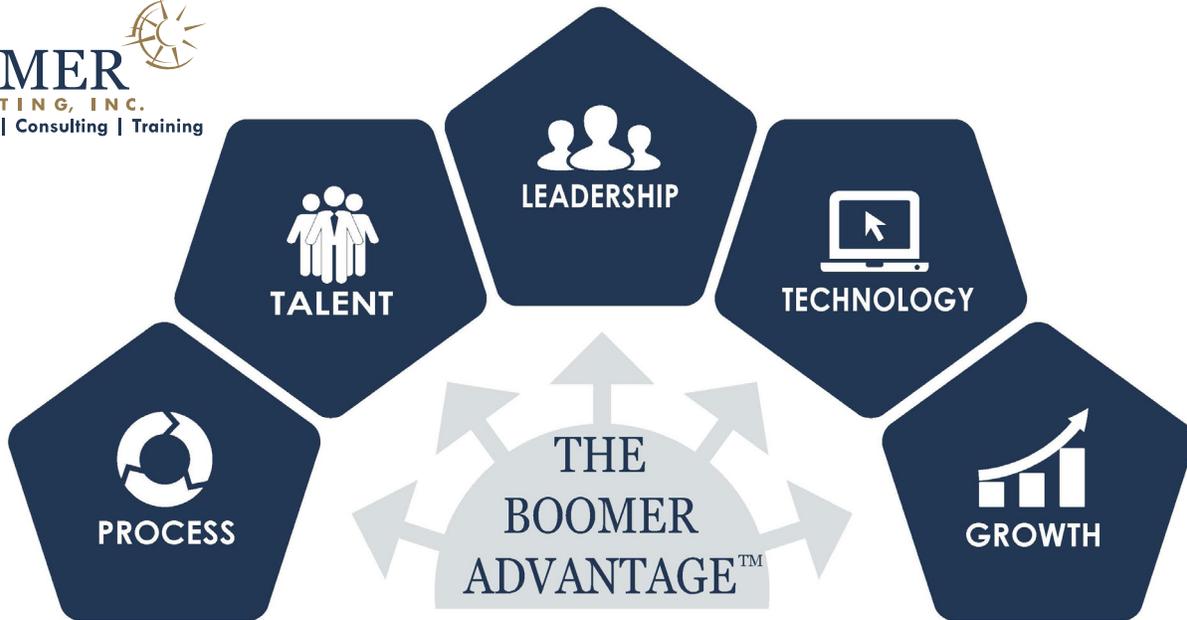
The processes in your firm are complex. That's why you need a simple tool that allows for complexity but simplifies your processes by putting them all in one place and automating them. Cookie-cutter workflows don't accommodate your firm's unique blend of staff, firm culture, institutional knowledge and business processes. Whatever your process is, Amelio has the flexibility to support it. It's a complex tool that delivers a simple workflow, even as your processes evolve due to new technology, new accounting standards or changes to tax laws. With continuous improvement and Amelio, your firm will be able to fully leverage your unique skills and resources.

Does your current business process management solution allow your firm to effectively manage the work in a transparent way that leads to higher profitability, highly engaged staff and satisfied clients? If not, how can Amelio and Lean help your firm continuously improve?

About

About the Boomer Consulting, Inc.

Boomer Consulting, Inc. guides CPA firms to sustainable success and future readiness. Most CPA firms struggle with how to grow and maintain relevance. Our unique and powerful solutions target five areas critical to a firm's success: Leadership, Talent, Technology, Process and Growth. Learn how our services within these areas can help your firm minimize dangers, capture opportunities and optimize strengths by visiting us at www.boomer.com.



About Amelio by HKMP Technologies

HKMP Technologies develops and delivers Amelio – a proprietary platform for automating, managing and controlling business processes. As a leader in developing innovative solutions for accounting firms, HKMP Technologies identified a need among their varied clientele for a cost-effective approach to help automate, manage and control your firm's distinct business process. Realizing an adaptable platform that allows for customization and quick integration was necessary, Amelio was developed to help your business automate, manage and control your process your way.





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