

# TAX AND ACCOUNTING TO GO THE MOBILE PROFESSIONAL

A Special Report  
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Accountant



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**A substantial portion of the market has smartphones and iPads are selling at a rate few would have thought possible two years ago. So how close are we to having core applications available for the tax and accounting community available on these devices? It's still a bit towards the talking about the weather formula - more talk than action.**



Still when Mike Sabbatis, CEO and president of CCH, says his company is going to support the Apple Safari operating system later this year, it's clear a basic shift in the tool set used in this business. Safari? I think a lot of us would have believed the discovery of real hobbits would have been more likely if we'd been asked five years ago.

"Last year, we [CCH] had a handful of iPads. Now almost everybody has them," says Sabbatis in talking about the "whole iPad explosion." Customers are increasingly using the Apple tablet computer and it's possible they could become standard issue for mobile professionals at CCH. And when it comes to software, "We are looking at applications and determining what makes sense on iPhone and Blackberry," he says.

But it's one thing to have users walking around and using tablet computers and smartphones as messaging devices. It's a completely different experience to have them utilize tax and accounting data in a meaningful way.

"We haven't got a clue what in the Pandora's Box," says Tom Davis a partner with Bowen Phillips in Valdosta, Ga. "They hold so much promise, but they can be so distracting. We certainly aren't going to stop using them. But firms better get a grip on them because they are a good way to eat up a lot of productivity with people screwing around."

And there's a lot of evidence that mobile devices can't displace much of the hardware on accountants' desktops.



"You have to be out of your mind to think the iPad is something you are going to sit down with and do a serious day's work," says David Cieslak, principal with Arxis Technology of Encino, Calif. Cieslak says that accountants that are used to working with a multiple-monitor system in the of-

fice are unlikely to find the Apple product suited for heavy-duty work, although it is quite well suited to checking email on the road. "My desktop configuration is three monitors," says Cieslak. "Even with one of these portable keypads, I am not going to give up my desktop."



Jim Bourke, partner with WithumSmith+Brown of Red Bank, N.J., also doesn't see mobile devices replacing laptops for heavy-duty use.

"Why are we not on iPads?" he asks. "They are not set up for the guy in the field, the auditor in the field. It's not just meant for those who are banging out 100s of tax returns. The iPad - and other mobile devices - is a great piece of equipment to read email and browse the internet."

There are two distinct topics in discussing the adoption of tax and accounting applications to mobile devices. One is for tablet computers, overwhelmingly iPads, and the other is smartphones. One important difference is that a tablet can display an application pretty much as a desktop computer would, but that software needs to be written differently and serve a different purpose for use on the far smaller smartphone displays.



Last year, the major players began introducing mobile products, but these looked more like placeholders that enabled vendors to say they were doing something in the mobile space. This year, functionality is getting a bit more serious.

In 2010, Intuit was in the field with Quicken Online Mobile and QuickBooks Online Mobile, and GoPayments. Thomson brought out the first rendition of Mobile CS, a free application that linked to the Practice CS database. CCH started providing mobile device links for

its Tracker news system and its SmartCharts as part of CCH Mobile.



Intuit has also provided mobile access for its ProLine Research platform, which is available to both Lacerte and ProSeries users and is accessible via iPad, iPhone, Android and BlackBerry Torch. And despite the fairly enthusiastic discussion of mobile capabilities made by Intuit last year, it's hard to find the mobile features on the Intuit website. "It's not being emphasized," a spokesperson said.

The only new mobile application for accounting professionals that appears to be ready for discussion

is a companion to Intuit's relatively new web-based tax preparation system. Howard Shen, senior product manager, said that the mobile companion for Tax Online is being readied for a test during extension season.

With CCH Mobile, CCH has brought its Tracker, a customized news service, to the BlackBerry, iPhone and iPad, as well as some of its SmartCharts, which can provide a graphical comparison of tax types by jurisdiction. There is also an IRS feed that enables users to punch in a citation and bring up the IRS code and regs and a variety of calculators.

Next on the list is making the IntelliConnect research platform



available for the iPad, according to product manager Tina Rajski. "You can use IntelliConnect on the iPad as you can on the desktop," she says. And in general, CCH is going to be releasing more of its content via mobile applications, which will be free to subscribers, and expects to have all content available in 2012.

On the IRS side, "We are looking to push beyond code and regulations, full information, treatise information," says Rajski. "We are looking to expand our tool offerings and provide more SmartCharts." Much of the content is also available on e-books for e-readers.

Whether the vendors would describe themselves as challenged or not, it's clear that developing for different devices with different operating systems present some challenges.

Getting Thomson's educational courses to the devices required the following, according to SVP Ken Koskay. "You build a delivery engine that renders content and delivers it to the device." There are different ways of doing that for smartphones and although developing for the iPad is similar to developing for laptops, the process of development and delivery is "different from the traditional way of developing software."

The latest version of Thomson Reuters Mobile CS is the one that is really starting to bring day-to-day accounting office applications to the mobile world. The second release has a two-way capability which enables users to enter time and expenses on a remote device.

"That's so convenient and handy," says Scott Fleszar, VP of strategic marketing. It's not just a very popular feature; it's one users were surprised was not in the first release.

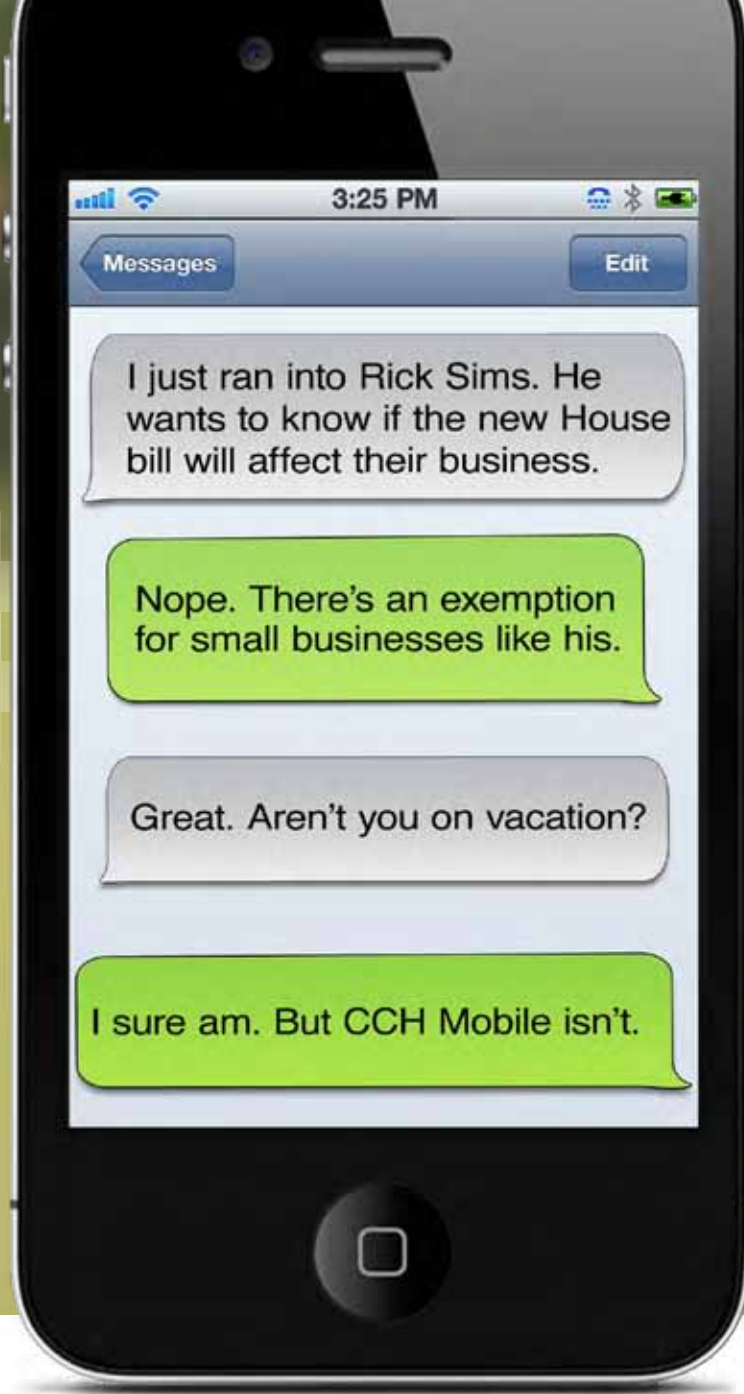


The company is also readying mobile support for its Accountants Resource Network. ARNE is a popular online community that started out as a CompuServe bulletin board and has made the transition to the Internet where the users can visit and contribute to forums.

One of the most ambitious plans is for an application that hasn't yet been named. However, it will enable clients of accounting firms to interact with their own customers. That includes the ability to push out information such as tax return status or to be paid via mobile devices.

Clients will also be able to submit receipts. A smartphone can be used to take a picture of a receipt and transmit it to the firm. That will be important, "especially if they are business clients," says Fleszar. Another direction is providing a mobile application for the employees of the firms' clients. This would give them access to payroll, direct deposit and employee records via mobile devices.

Thomson courses are available today for Checkpoint, Ken Koskay, VP of Learning, says delivering the same content to the iPad



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***Preview the first release of CCH Mobile.***



"is not an issue, the iPhone is different." For example, the animated graphics are much different for the smartphones as is the length of courses. While users might take a six-hour course via an iPad, laptop or desktop computer, they are not generally going to do the same with a mobile phone.

Smartphone courses are going to be one to two hours at the most and money courses will be one hour (the 50-minutes dictated by CPE standards) and Thomson allows the user to stop the course.

CCH's Rajski also notes the difference between how smartphones and iPads are used, "With a smartphone, the interaction has to be really quick," she says.

Making news available via smartphones has proved relatively easy. CCH did that early on with its Tracker and Thomson recently launched Thomson Reuters News & Insight which provides news to desktop, laptop and mobile users.

As with CCH's IntelliConnect, it is taking more work for Thomson to get its Checkpoint platform into the mobile universe.



"We are making the adjustments we need to make to CheckPoint to make it totally iPad compatible," says Steven Mendelsohn, president of Thomson's Business Compliance & Workflow Solution division.

CPA Davis says his partners want to have tax and accounting application data available via mobile devices.

"Every day I get pounded by folks at my firm and other firms that want all this stuff on these tablets. It's just tough," he says. "Everybody has got this vision of this Dick Tracy wrist watch type thing that's got all the information in the world."

With partners using iPads and Zunes, Davis said he has written a mobile application that works with time and billing applications. "It's just a tool that will go out there and look at all of the clients that owe us more than \$4,000," he says. At any one time, that encompasses 52 to 62 clients representing about 70 percent of accountants receivable.

That data gets used in partner meetings to help push partners who need to get more aggressive with clients. Davis said the information is handy at that point because it is more effective to use the peer pressure of the partner meeting than trying to confront individual partners about collection efforts.

The mobile life has its own issues and among these is the always-present concern over security. After all, all that data is easy to lose on tablets and even more so on a smartphone that can be easily lost.

"Since so much of our lives are now stored on the phone I think it's important to activate and use the password lock (with a code other than 1234)," say Wayne Schulz, a CPA who is part of 90 Minds Consulting, a network of companies that sell Sage financial applications. "On the iPhone, I load the free Find My iPhone which allows all data to be remotely wiped in case the iPhone is lost.

Arxis' Cieslak says having a "kill" or "wipe" feature of a smartphone is very important. A kill feature enables data to be deleted and devices locked automatically by an administrator once a device has been reported lost or stolen. Generally, these applications are available as add-ons which are widely available. Remote management tools can also enable administrators to load applications on mobile devices.

"I think everyone should have a kill feature on their phone. At the very least, everyone should lock their phones," he says "After x number of failed attempts it should lock their device."

Jim Bourke said that his firm utilizes the wipe capabilities provided via the Blackberry Enterprise Server. If someone reports a Blackberry lost "You have to use remote wipe. You can't use it and you can't transmit on it." If the device is recovered, the data can be restored.

Then there is the issue of malware. An article by the Associated Press this month says that Lookout, which makes security software for mobile phones, reported as many as 1 million people were hit by mobile malware in the first half of the year. More insidious is that Google says it has removed about 100 malicious apps from the Android Market App store and that one particularly harmful app was downloaded more than 260,000 times before removal.

However, Wayne Schulz does not believe malware is a big problem in this environment and does not see a need for anti-malware software.

"So far I've not loaded any type of anti-malware application and I think most users expect that the operating system is secure enough to remove the need for third-party software," he says. "I think the iOS operating system is pretty secure and that will drive other platforms to implement ways to ensure malware isn't distributed. Also remember that both Android and iOS have remote kill and removal switches for all distributed applications."



### Picking Mobile Applications

The number of mobile applications available on the Apple iTunes stores has exploded from a few thousand to millions over the last two years. That means there's an app for just about everything.

Wayne Schulz, a CPA with 90 Minds Consulting Group, believes that software development is one of the important factors in selecting which mobile platform to use. "Platform wise I think BlackBerry and Palm (now HP) are seeing the least software development and that seems to be their biggest downfall," says Schulz, who is based in Glastonbury, Conn.

When it comes to selecting between the iPhone v Android, "it boils down to this" he says. "Are you a serious GMail user? If so, Android is likely to make you happiest. If you're a MAC user or want to have access to the widest variety of high quality applications, go iPhone.

As to applications, Schulz lists the following of those available.

**1Password.** "A good password keeper - I use 1Password simply because it has roots on the MAC and easy integration to iPhone."

**Evernote** "If you are not using this for taking notes - you should be." "It synchronizes all your writing from phone to web to desktop. There are tons of note taking applications but none that synchronize data this easily or to as many platforms."

**GroupMe** "I've been toying with group messaging for short communications between groups of up to five people (above that is too chaotic). With GroupMe 3.0 you can bypass SMS if you like and can hold instant conference calls with the group you are messaging. This seems like a great tool for CPAs to manage engagement teams who might be working in the field. GroupMe also is available on almost every mobile platform and has a web interface."

**Skype** "Recently while on vacation we avoided the exorbitant cruise ship prices for phone calls by using Skype to make phone calls over the (free) Internet from a McDonalds in Nassau Bahamas"