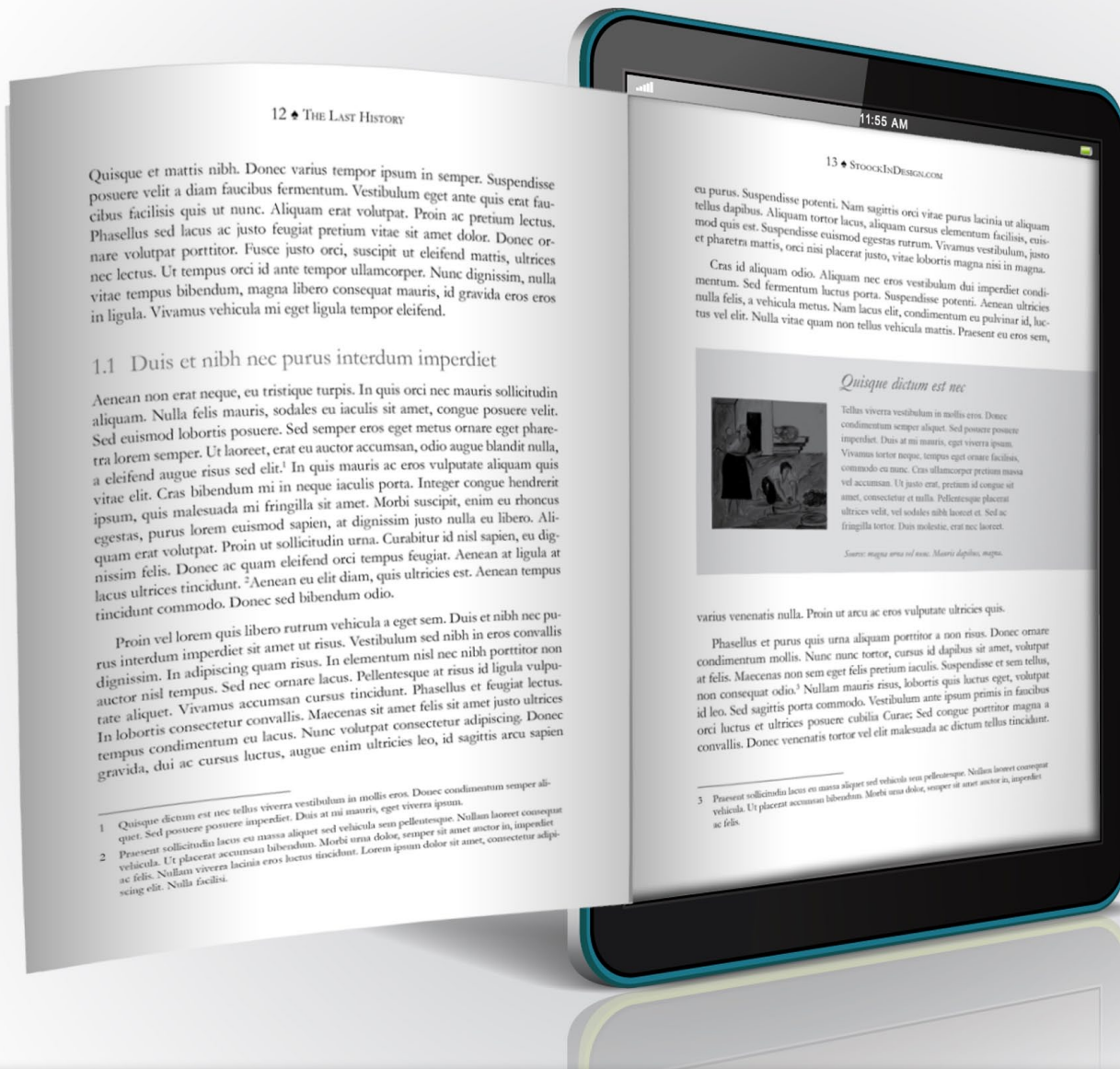


Document Management: Winning the War Against Paper

A special report by: The Progressive Accountant



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Gigi Boudreaux, CPA,
Raich Ende Malter & Co.

Gigi Boudreaux says that for her firm, getting CCH's document management system was an extra benefit of converting its tax and accounting applications to the CCH platform. "We moved over to CCH because of ProSystem fx Tax and got Document with it," she says.

The firm, East Meadow, N.Y.-based Raich Ende Malter & Co., began using the SaaS version of CCH ProSystem fx Document, moving from a competing web-based product.

"We like the search capability. We like the functionality," notes Boudreaux, a CPA and tax manager with the three-office firm.

Boudreaux likes the way Document is set up. "It is set up a little bit more like Google [than other packages]," she says. "I think that makes it easier for all generations of people to use." With a bar at the top of the page onscreen, "It's very obvious when you open it what you need to do," she says.

The firm's document management process is a common one. Raich Ende has desktop scanners "for small items that need to be filled later," she says, with many items scanned at the managers' desks while preparers generally use a bulk scanner.

Besides automating the document handling process, Boudreaux's firm has realized one of the other benefits of document management—it has been able to reduce the amount of office space devoted to storage and has converted part of its storage area to a scanning area, which Boudreaux says is "becoming more of a professional staff area."

She also likes Document's integration with ProSystem fx Portal which gives staffers access to documents remotely. "It helps with flexible working arrangements," she says.



Andrew Hatfield, Vice President of Sales and Marketing of cPaperless

Using document management systems to "go paperless" has been a hot topic at accounting firms for several years. Despite the enthusiasm they have received from firms like Boudreaux's, much of the profession is not nearly as advanced in eliminating paper as many believe, according to Andrew Hatfield, VP of Sales and Marketing of cPaperless.

"I think the number of firms that are widely believed to be paperless is way off the mark," says Hatfield. "A lot of firms will

buy a few features of technology. Instead of looking at everything that will be needed, they buy a piece or two and fail. They didn't understand the whole picture."

Based in Dallas, cPaperless makes products that enhance the document management process, not document systems themselves. It markets CPA SafeMail which provides secure document transfer, and Tic, Tie and Calculate, an Adobe Acrobat plug in for organizing and annotating documents.

But cPaperless has also focused on educating the profession about the document management process by providing educational tools for free.

"The more we can do for education, the more people go paperless. We are focused on driving free education content," says Hatfield. "What we have found as a fundamental truth is that a lot of firms which check the box as being paperless aren't truly paperless."

That education effort includes a boot camp which provides a step-by-step guide for running a paperless tax department, breaking down the processes required and spelling out the pitfalls.

"A lot of it is based on firms that have failed," says Hatfield. The guide, he says shows, "Here's what they were thinking prior to starting and here's what they did wrong. Sometimes being successful is knowing what you shouldn't do."

CCH to the Web

For those organizations that want document management, there are plenty of choices from the leading players in the tax and accounting software community and from vendors that serve a broader market.

Among those is one of the tax preparation and research powerhouses, CCH, whose ProSystem fx Document line was one of the first to have both on-premise and Internet-based packages.

While many software companies are moving their applications to the web, CCH has made a circle. When it first hit the market years ago, Document was an on-premise application. CCH then introduced a web-based version.

But in the last few months, it retooled the line and brought to market a new on-premise version as it concentrated on bringing the same functionality to the SaaS and on-premise applications, according to product manager John Springfield.



John Springfield, product manager, CCH

And incorporating the ProSystem fx Suite's common client database was one of the goals of rewriting Document.

Among the benefits of the common database is the ability to change information such as a client's name, address or telephone number in one application and "It will proliferate out to the other products," he says.

According to Springfield, the new version is also more efficient and easier to use and the interface is more intuitive. The interface has more windows, more closely resembles Microsoft Outlook and provides a common look and feel across the suite. Not only does it share an Outlook appearance but emails and attachments can be dragged and dropped from Outlook into Document.

The new system also has improved performance. "It's a time saver," says Springfield, "If you save a minute or two minutes off a typical work flow you do during the day that adds up over time."

About 200 firms use the SaaS version and another 800 own the desktop version. Springfield said that CCH opted to field both versions to give the market a choice. He continues that smaller firms tend to be more interested in the SaaS version, while there is also interest from larger firms that want to lower IT infrastructure costs.

The on-premise application starts at \$640 per user annually while the SaaS Version starts at \$689 per user per year, although with volume it can go as low as \$449 per user.



Tony Kramer, CPA, Kramer Associates

The Thomson Story

Integration with other tax and accounting product also appeals to CPA Tony Kramer of Kramer Associates of Leavenworth, Kan., who uses FileCabinet CS from CCH's rival Thomson Reuters.

"I have been very pleased, especially with the interface between all the Thomson applications," he says.

Since 2003, Kramer has scanned all source documents and printed all tax returns to FileCabinet CS. His firm is also using the new CS Accounting to print financial statements and payroll reports to FileCabinet.

Kramer employs eight CPAs and a staff of 14. Most tax preparers have access to Fujitsu scanners, along with a large unit that acts as a primary copier or printer. Before it adopted the Thomson application, it had about 22 file cabinets. With the use of FileCabinet, the firm reduced the amount of physical storage to four cabinets for its tax files.

"We cut down our paper usage considerably," he notes.

Kramer is not yet using Thomson's NetClient portals extensively, although having scanned documents available via the web has definitely had benefits for some clients.

"We have payroll clients for whom we do quite a few military tax returns," he says. The portal enables military personnel at a distance to gain access to their tax returns.

Otherwise the portal is utilized largely for transfer of information via file exchange. The firm scans all of its audit workpapers, created via CS Engagement. Conversely, many business tax clients scan source documents, articles of incorporation and IRS correspondence and upload these to their portals.

Since the firm has two locations, Kramer has access to the files no matter which location he is working at.



Scott Fleszar, VP, Thomson Reuters

Thomson Reuters fields two document management applications, the web-based GoFileRoom, and the desktop FileCabinet CS. There is a common goal for the applications, according to Scott Fleszar, vice president of strategic marketing at the company's Tax & Accounting business.

"We are really focused on building in functionality to assist with various workflow processes," says Fleszar.

For FileCabinet CS, he notes, "We are basically focused on enhancing source document processing functionality," he says. The goal was to create a better file "in terms of labeling and organizing documents and how they are grouped together."

The system labels files, a process that is designed for automating the system. However, enhancements make it easier for preparers to review the way the software classified files.

"We have made it real easy for them to confirm or reject the way the system has organized the documents," says Fleszar.

FileCabinet CS pricing starts at \$1,500 for a renewable license.

GoFileRoom has enhanced search capabilities, which has been one of its selling points all along. Users are now able to search multiple drawers simultaneously and also search for multiple documents at the same time. The system can also search results that have been returned and sort and filter them.

Both products have been enhanced to make integration with Thomson's portals more automatic. Client source documents



Raich Ende Malter & Co. made their paper files disappear.

A paper document can be in only one place at a time, but you can make a digital document appear anywhere it's needed — like magic. With ProSystem fx® Document and Portal, paperless efficiency isn't just an illusion.



“Previously, paper files would follow the return around, resulting in stacks of paper next to your desk or on your credenza. We don't have those piles of paper any longer. ProSystem fx® Document SaaS makes accessing client data seamless with advanced search capabilities. In addition, publishing files to a client's Portal is a snap and our clients love it.”

— *Gigi Boudreaux, Tax Manager, Raich Ende Malter & Co.*



automatically flow to portals when the completed tax return is posted there.

"The taxpayer appreciates having not only access to completed tax returns, but also to W-2s, K1s and 1099s," says Fleszar.

Cabinet CNG

It's not just the tax and accounting specialists that are providing document management systems to the profession.

At Providence, R.I.-based Kahn, Litwin, Renza & Co., the firm has installed CNG-Safe from Cabinet NG to share documents among its three New England offices. It utilizes fiber lines to provide a common instance of CNG with nearly 100 of its 120 employees accessing the document application. The other two offices are in Newport, R.I., and Waltham, Mass.



Norman LeBlanc, CPA,
Kahn, Litwin, Renza & Co.

"We use CNG as a central repository to share information as well," says CPA Norman LeBlanc, a principal at the firm. "We actually set up cabinets inside the software for our internal stuff. We might share a news bulletin or research."

LeBlanc finds CNG can handle the demands of its fairly large clients, who generate a large volume of documents. "It searches fast. It indexes quickly," he says. "It opens up documents very quickly and provides multiple choices of edits or views."

CNG supports a variety of document formats including PDF, PowerPoint, Word and Excel. "You can drag email in there as well without needing to convert with Outlook," he says.

LeBlanc knows Cabinet NG is working on SaaS and .Net versions, but is not in a hurry to move to the Web because he wants to be careful with such a critical application. "We use it so heavily and we are biding our time," he says.

Kahn, Litwin uses CCH's ProSystem fx tax application, although it doesn't use the CCH document management system since it acquired CNG-Safe before CCH began marketing ProSystem fx Document. However, LeBlanc says CNG and the CCH packages work well together.

"Recently, we have ramped up the paperless system. We are going directly from the CCH tax software to CNG all in one step," he says. "We don't even print and scan. There's a big time and cost savings." Likewise, although the firm scans source documents when they arrive, increasingly it receives documents electronically, avoiding the use of paper altogether.



James True, VP Cabinet NG

Cabinet NG is an application that is not specifically designed for accounting and doesn't share a common architecture with applications used in the tax and accounting office such as write up and tax preparation software. But that is not a negative, according to James True, vice president of the Madison, Ala.-based company.

"The benefit that it brings to an accounting audience is that it isn't built for one specific function," he says. "You can use it across your own organization." For example, the human resources department could have its own paperless files that would not normally be handled by an accounting-specific application.

CNG-Safe is a traditional client/server application. The company also has CNG-Online, a hosted version, "that works well for clients that might not have their own IT staff," says vice president James True. There is also CNG-Web, which offers many, but not all of the features of CNG-Safe on the internet. You can access folders in the field; you can approve and initial workflows in the field. "It's a browser-based interface," he says. "You can check out a document at a client's site, make edits and upload the document back."

Currently, it runs primarily on tablets. The company doesn't yet have a version that runs on a smartphones.

While the company does not have its own suite of tax and accounting products, True says it has two tools, the Synchronizer and the Retriever, which allow it to work with third-party applications.

The Synchronizer "will look at that third-party application—we will take that application and create a folder for those clients," he says. Applications certified for compatibility with Synchronizer include CCH products, Microsoft's Dynamics business software and Sage's MAS 90/200.

With the Retriever, the Cabinet NG product can recognize and open a folder "while you are in that application," says True.

CNG Safe prices include a one-time fee and the licenses range from \$495 to \$1,395 depending on license type and quantity. CNG-Online is priced at \$50 per month per user, depending on the number of users, while CNG Web is included with online at no additional cost. There is a one-time fee of \$1,500 to use it with CNG-Safe.

Doc-IT

Doc.IT also does not field a line of tax and accounting applications. It is "a growing suite that includes the Doc.IT portal and our workflow solutions," according to president and chief technology



Howard Brown, CEO, Doc-IT

officer Howard Brown, who sharply contrasts his company's approach to most other vendors.

"I could lump most of our competition in the category that put all of documents in to a single silo with some classifications," he says. "Most of them will be Word, Excel and PDF, but there are other types of documents."

Brown continues that "We separate things into two silos. We recognized that WIP documents are different than finalized documents which we call published or archived documents."

In fact, the Doc-IT Document Management System is accomplishing with one application what major tax and accounting vendors are solving with two categories of software: document management and engagement packages. Firms often attempt to use engagement packages for document management, although most vendors say that is not a good practice.

"We have binders for all of the non trial balance engagements, whether client write-up or bookkeeping," Brown says. "Once the engagement is finished, we have publishing tools to take all of those documents in native format and convert them to a single PDF which is stored in the published archive, which is the metaphor for the paper file room."

Brown says Doc-IT also has its own PDF technology, as opposed to competing packages which requires firms have Adobe Acrobat. That means the product requires fewer clicks to operate.

Doc-IT has "pretty good integration with CaseWare" and also has publishing tools for ProSystem fx Engagement and CaseWare. "You can take an fx Engagement binder and publish it and create a bookmarked PDF," he says, "You've got the final engagement in a locked-down PDF format."

Firms need to be able to purge archived documents. "You won't have that benefit with CaseWare or fx Engagement," he says. "Their storage will grow and grow and some binders won't open."

The next version of Doc-IT will be built on the Microsoft .net platform, making it cloud compatible. However, Brown notes that opens up other problems since it is difficult to integrate cloud applications with other products.

Currently, Xcentric hosts many client applications in the Citrix environment which means the Doc-IT can be accessed via a web browser but will still integrate with other tax and accounting applications.

Prices range between \$25 and \$35 per user per month for a subscription that does not require a written contract. The application, which includes a portal and workflow functionality, has an average of \$30 per user per month.



Eric Pulaski, CEO SmartVault

SmartVault

An application that has strong ties to the QuickBooks world is SmartVault, which markets a SaaS-based document management system. The company offers a plug-in for QuickBooks that enables users to scan, attach and find documents within that application.

The company relies heavily upon third parties to extend the functionality of its product line. CEO Eric Pulaski noted that earlier this year SmartVault shipped a second version of its Software Development Kit, which makes it easier for developers to adopt the platform.

Companies working with SmartVault include Results CRM and Springboard, which markets an expense management system. The integration between the packages means that an accountant who does not have a CRM account can open the Results document inside SmartVault.

"Say you've got a customer record in Results; you can get at it through any web browser," says Pulaski. "If you've got QuickBooks, you can drag and drop a file onto a customer record. You can have one common document repository that plugs into the applications you use."

SmartVault offers three plans for accountants that include the document management system and portal. The Accounting Pro plan is designed for five users and offers 30GB of storage for \$69 per month. The 10-user level provides 60GB of storage for \$129 per month while for \$268 per month a firm can serve 25 users with 150GB of web storage.

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