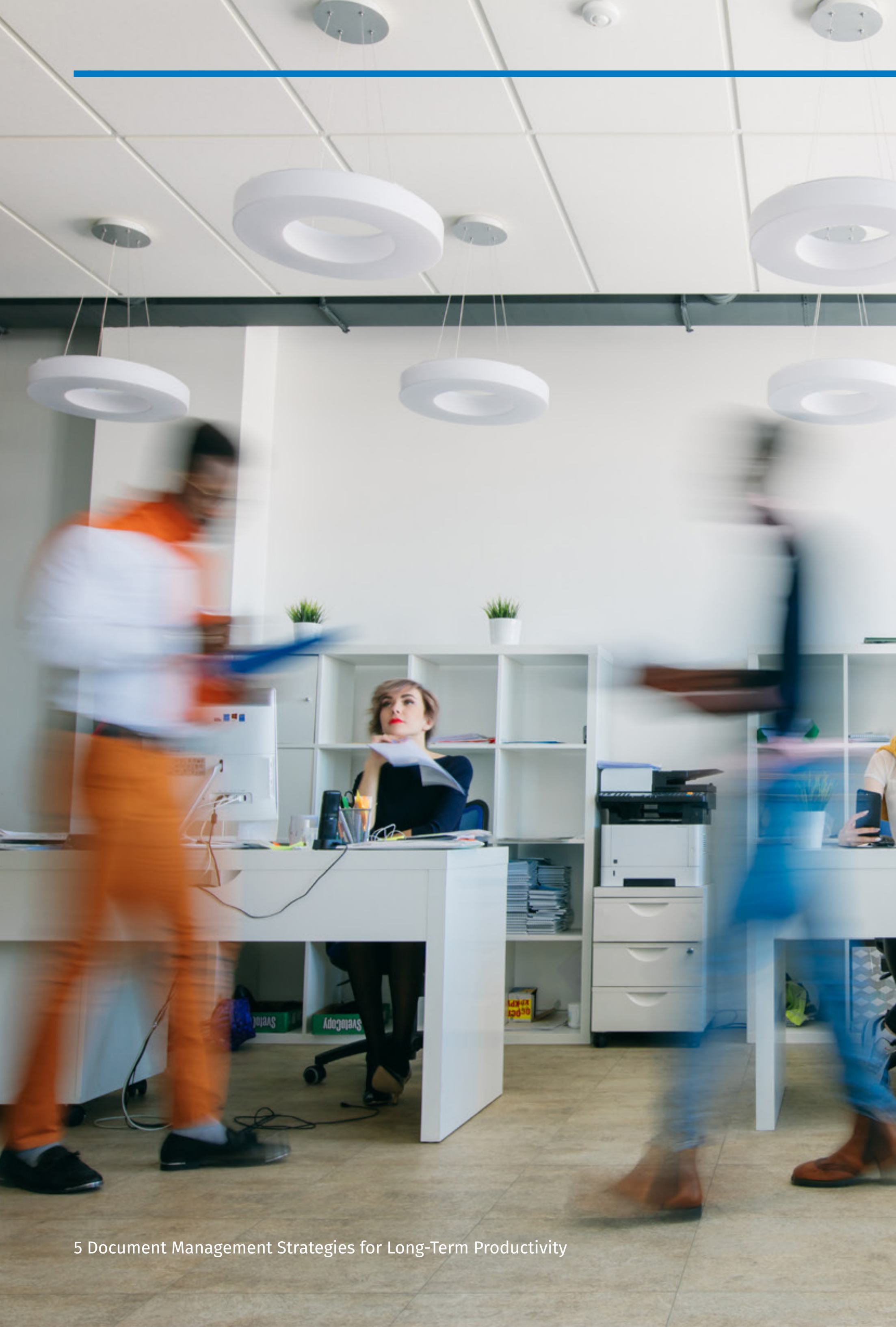
Tax & Accounting

# 5 Document Management Strategies for Long-Term Productivity

Total Firm Management Series

Wolters Kluwer



The need for firms to be more agile has never been greater. Unfortunately, many firms are bogged down in paper and paper-based processes that limit productivity and profitability.

Document management is a key component to a modern firm. Any effort to modernize a firm's processes should take into consideration long-term goals while leaving room for firms to pivot on the fly when needed.

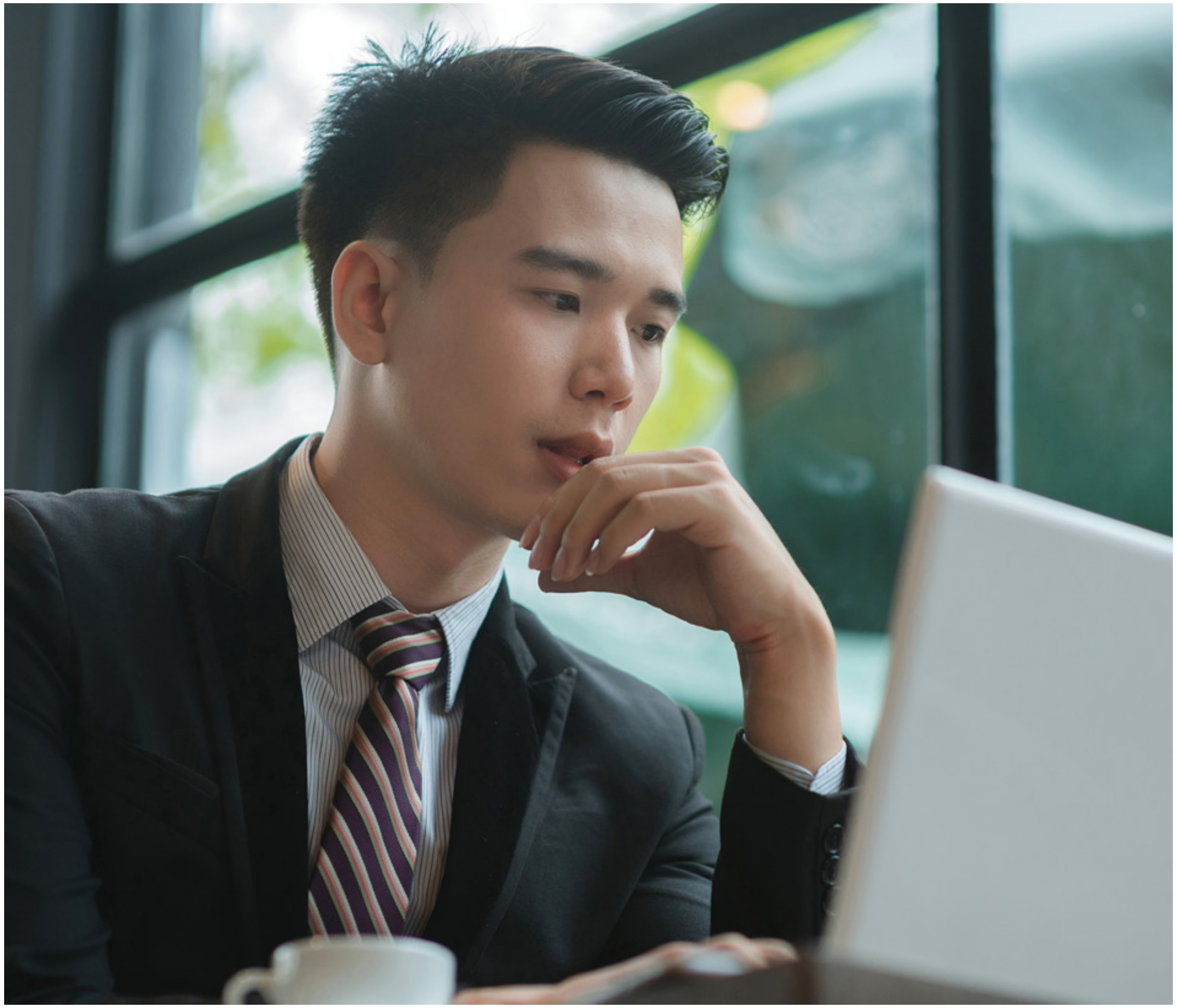
Storing your documents in the cloud is the best way to make sure that your documents are available when and where you need them, but new hybrid storage options enable a more customized approach.

Rethinking how you retain documents, protect data, and collaborate with staff and clients across different file versions and formats lets you maintain control of your firm's documents.

In this eBook, we'll look at 5 strategies to help you get started:

- **Enable Version Control & Audit Trails**
- **Take an Incremental Approach if Necessary**
- **Re-Imagine Your Document Workflows**
- **Automate Retention Rules for Better Compliance**
- **Plan for Collaboration Between Clients & Staff**

# #1: Enable Version Control & Audit Trails



The work your firm performs can be complex, often involving access by different staff members to the same set of documents. When there isn't consistency in document versions, staff efficiency and effectiveness can drop as they try to determine which version is correct.

For example, let's consider two teams who both work in and update the same spreadsheet.

Both teams need concurrent access to the spreadsheet and need to be working in the most up-to-date version. Unfortunately, the firm doesn't have a straightforward way for whoever is working in the spreadsheet to guarantee that they are working in the most up-to-date version.

Therefore, the teams fall back to email — sending an updated version of the spreadsheet whenever they make a change. It's easy to see how this process would quickly become cumbersome and time-consuming, not to mention vulnerable to members of one or both of the teams working from an outdated spreadsheet.

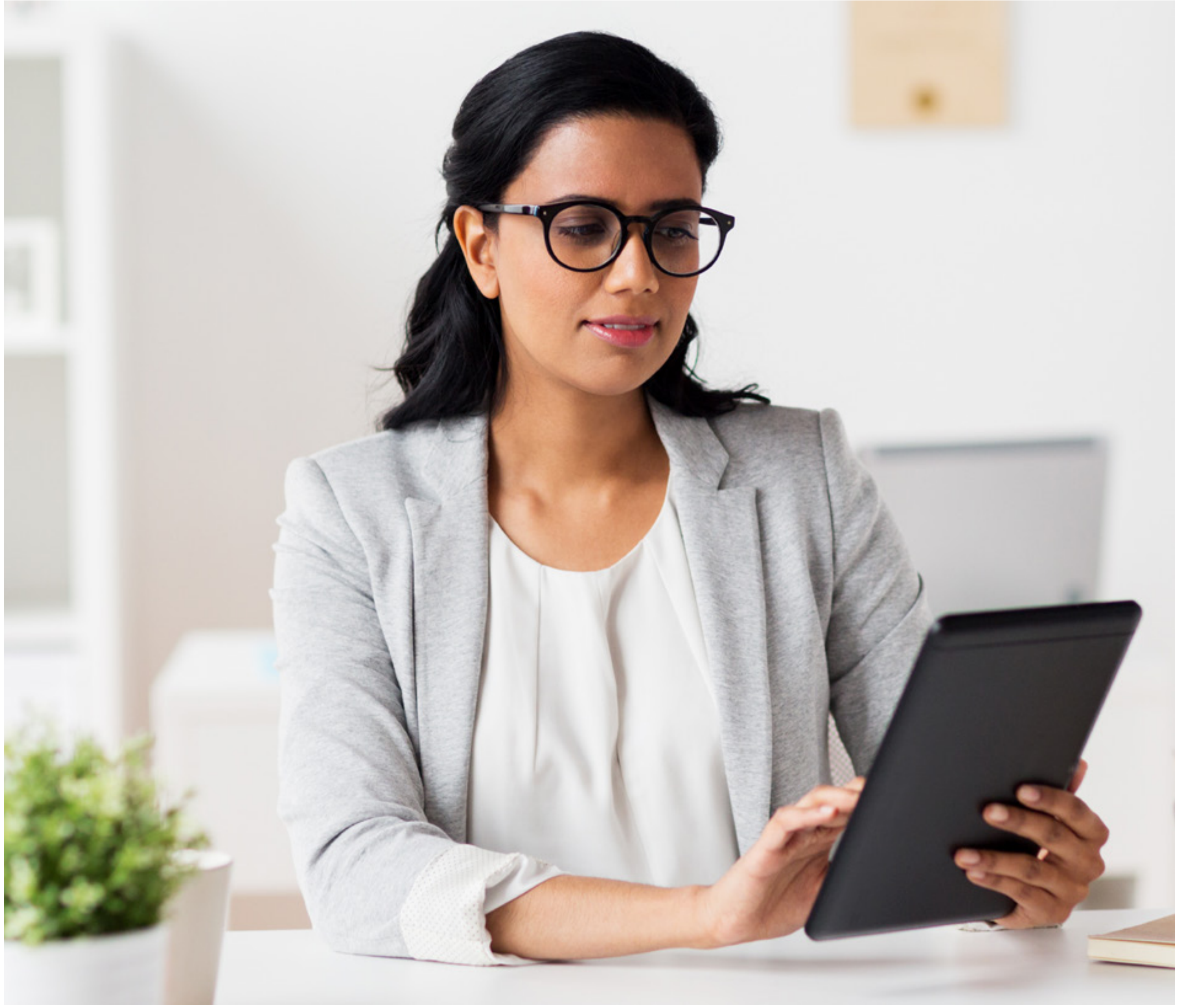
A document management solution with a check-in/check-out function solves this problem, as does the capability to capture notes within a single shared space in the solution.

A dedicated solution also streamlines another requirement for your firm: maintaining a comprehensive audit trail, by tracking a document's entire version history.

## Informal Version Control vs. Strategic Document Management

| Informal Version Control | | Strategic Document Management |
|---|---|---|
| Files exist across different locations and systems, making it difficult to keep track of all documents. | ▷▷▷▷ | Files and documents are housed in a single, unified system, making it easier to find what you need. |
| Different versions of the same document may exist in multiple locations, complicating a document's audit trail. | ▷▷▷▷ | A check-in/check-out function keeps track of who worked on what and when, simplifying the audit trail. |
| New file versions overwrite old, making it impossible to recover previous information. | ▷▷▷▷ | Older versions of a document are still available and can be restored, if needed. |

# #2: Take an Incremental Approach if Necessary



Cloud-based document management is ideal for firms that want remote access to files, including multi-office firms that share documents. However, firms don't need to move to the cloud all at once. Instead of all-or-nothing, many firms are adopting a hybrid approach to moving to the cloud.

Technology vendors are adopting the cloud at different speeds, so some firms need the flexibility of hybrid cloud file storage to preserve integrations with on-premise software. To achieve remote access via VPN, these firms may host their on-premise software on remote third-party servers, but their documents may need to live on these servers as well.

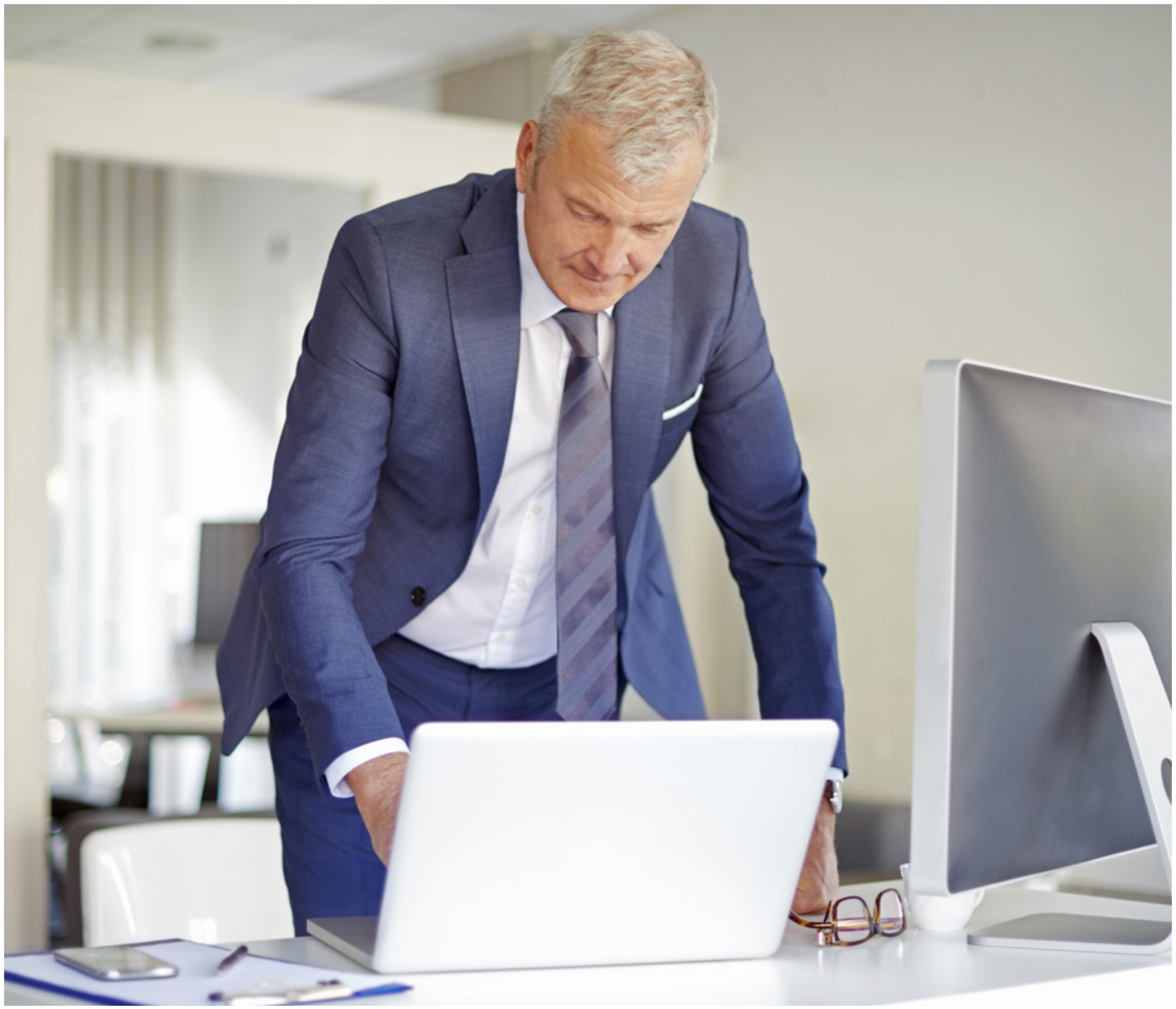
Other reasons firms may need a hybrid cloud document management strategy include handling files that are too large to move back and forth or avoiding frustration caused by slow internet speeds.

At times, firms may need to store files outside of the document management system so the data can interact more freely with other software. An Extended Storage area offers firms a place to store QuickBooks® files, linked Excel® files, and other files that need direct access while maintaining some of the document management functions. These files can be stored locally while other documents are in the cloud.

## Single Infrastructure vs. Hybrid Cloud Storage

| Single Infrastructure | | Hybrid Cloud Storage |
|---|---|---|
| Files stored on on-premise servers can't be accessed remotely. | ▷▷▷▷ | Configure the system to store files both in the cloud or store some files on-site. |
| Large files stored in the cloud take a long time to upload and download because of slow internet speeds. | ▷▷▷▷ | Choose to store some files on-premises while others are in the cloud. The system finds the file no matter where it is hosted. |
| Some files that need to directly connect to other software, like Quickbooks®, can't be stored in a document management system. | ▷▷▷▷ | Extended storage areas provide direct access to files while maintaining some document management functionality. |

# #3: Re-Imagine Your Document Workflows



Whether you're preparing an individual 1040 or a particularly complex business return, source documents play a central role. Centralizing how these documents are managed and processed often is the dividing line between a seamless workflow and time-consuming disorganization.

Of course, an efficient workflow requires more than simply scanning in source documents to a single location. Your digital workflows should not simply mimic your old analog processes. Instead, you should be able to easily correlate the right documents to the relevant projects and sign off on a client's return, all within a unified system.

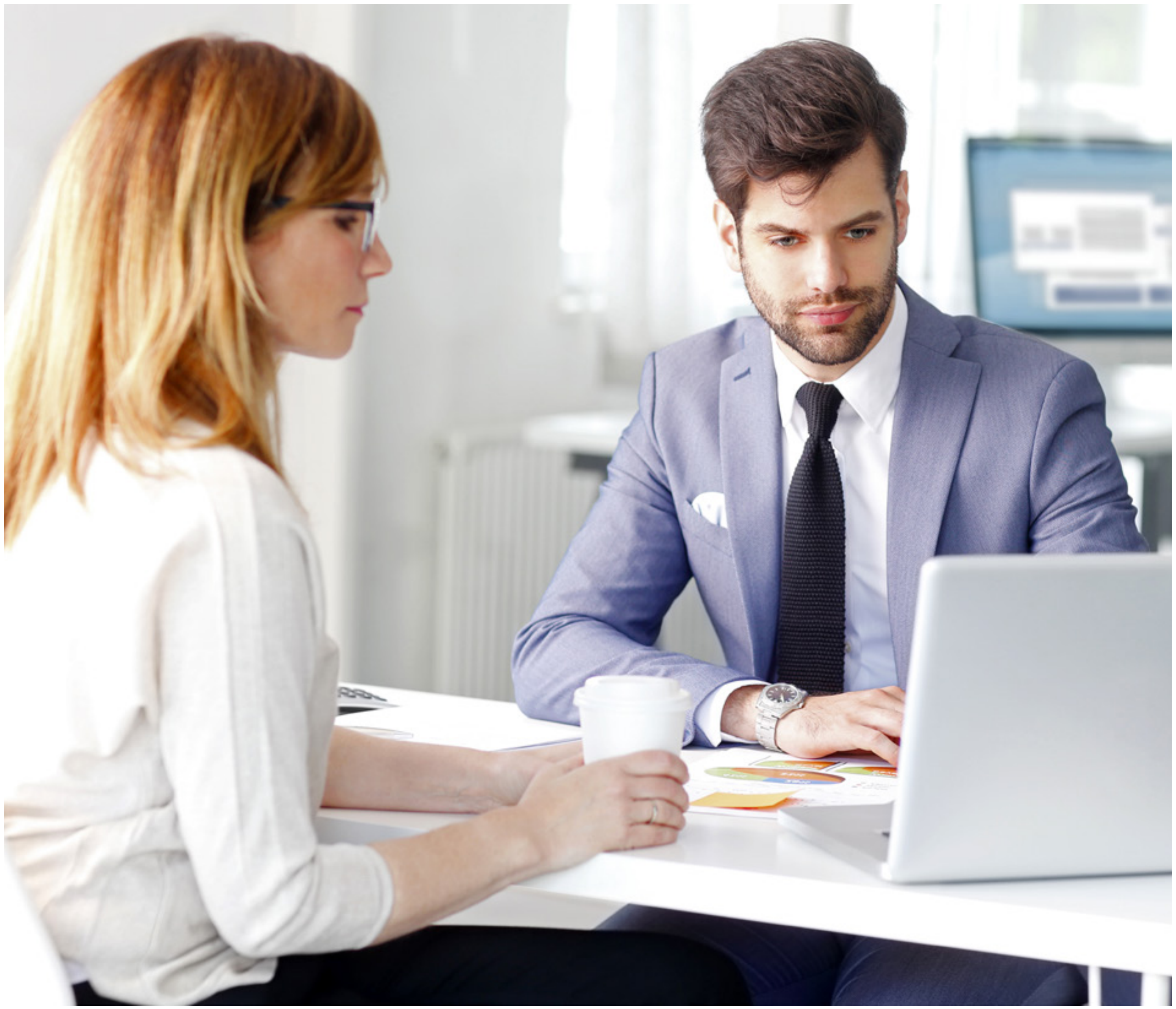
Introducing a document management solution transforms your workflow from that of a source document hunter-gatherer to that of a client-centered cultivator of value and visibility.

Naming conventions and indexing and search functionalities within the system make it easy to associate specific documents to specific returns and assigned staff. And an electronic-signature capability means that clients can sign their returns at their convenience — no trip to the office necessary.

## Digitized Documents vs. Digital Document Workflows

| Digitized Documents | Digital Document Workflows |
|---|---|
| Source documents are scanned into a centralized location, but there is no easy way to categorize documents by client job and staff assignment. | Source documents can easily be tagged, sorted, and searched by client job, tasks within a particular job, and the specific member of staff assigned to the job. |
| Static files are archived as locked PDFs or in proprietary file formats. | Documents are easily accessed and edited when needed. |
| Any signatures necessary to complete a return require a hard copy for signing. | Electronic signatures ensure that a return's workflow stays entirely digital. |

# #4: Automate Retention Rules for Better Compliance



Document management isn't solely about harnessing the present and future work product your firm creates. It's also about determining the right approach to curating and culling past documents that are no longer necessary.

Various guidelines and regulations may govern file retention, depending on where your firm is located and the type of work you do. But what most firms do have in common is the need to manage not only client documents, but also personnel and operation documents.

A document management solution not only unites disparate files from across the firm within a single tool, it also can automate your file-retention protocol. Instead of manually maintaining schedules that govern when to archive or destroy various documents, you can simply customize settings that align with specific dates.

## Manual File Retention vs. Automated File Retention

| Manual File Retention | | Automated File Retention |
|---|---|---|
| Different types of documents have varying retention mandates, which means keeping track of several unrelated timelines. | ▷▷▷▷ | Customized settings within a document management solution identify when action is needed. |
| Simply housing documents in physical files or in folders on a server introduces the risk of human error and mistaking one type of document for another. | ▷▷▷▷ | Categorizing documents with classes and subclasses within a document management solution automatically differentiates various document types. |

# #5: Plan for Collaboration Between Clients & Staff

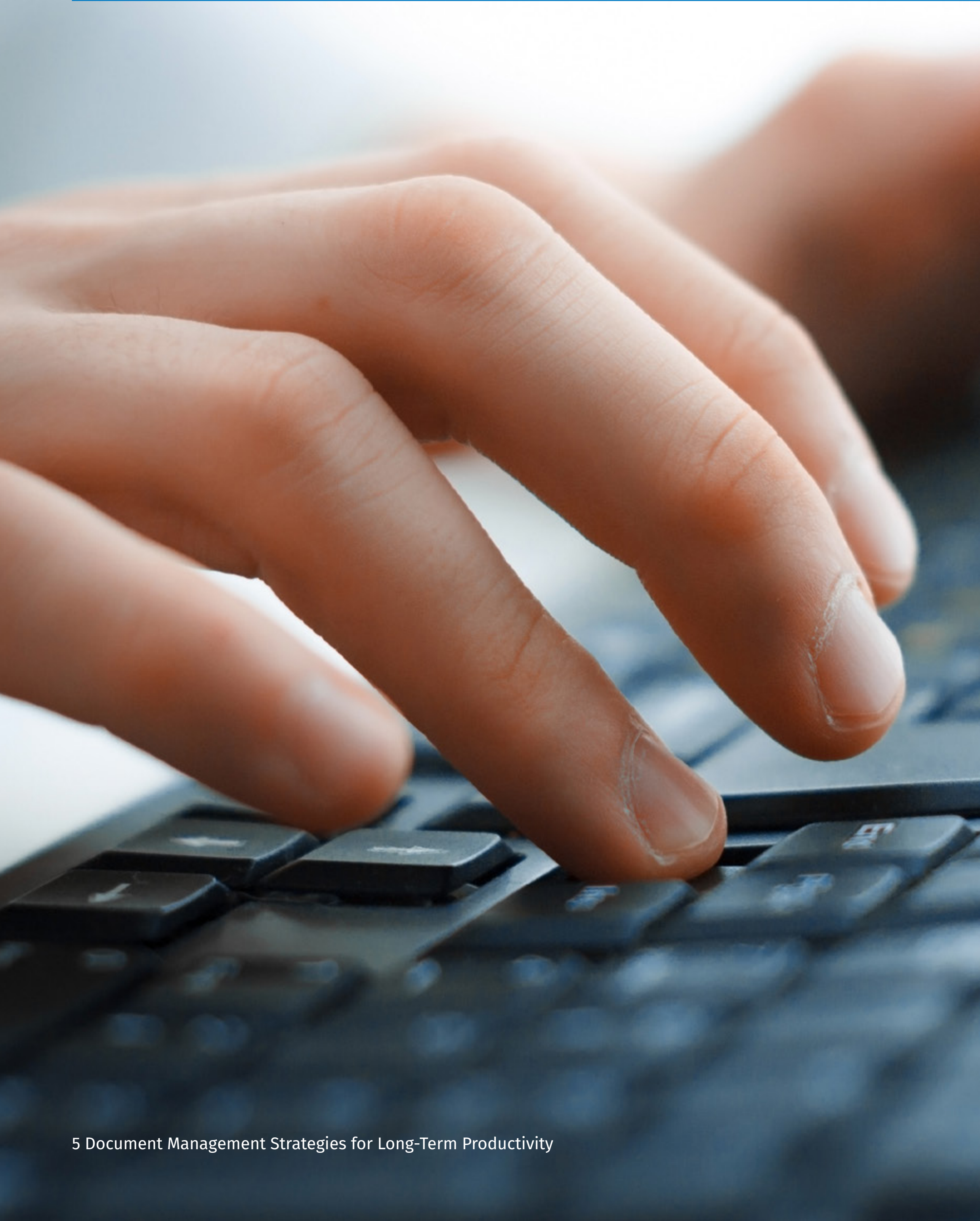
For many firms, the definition of the office means more than a physical location. Virtually instant connectivity and advanced mobile technologies now make it possible to work wherever and whenever practical.

At the same time, though, some firms find that when it comes to accessing and sharing documents among staff and clients, they're still largely bound to older technology. For instance, files may be housed on an internal network that can only be accessed within the office, and email is the only viable option for digitally sharing documents.

Implementing a document management solution that is responsive to mobile devices and has client collaboration functionality resolves these inefficiencies. It also significantly improves the security around all your firm's documents. Compared to email, a secure online collaboration space offers an unparalleled degree of control in sharing data with clients and determining access permissions among staff.

## Email Communication vs. Online Collaboration Spaces

| Email | | Document Portal |
|---|---|---|
| Sharing documents via email with staff and clients is insecure. | ▷▷▷▷ | A communication hub or portal establishes a closed environment for sharing sensitive information with those who have specific permissions. |
| Frequent back and forth between client and firm. | ▷▷▷▷ | A digital organizer walks clients through the process step-by-step, and a dashboard shows what needs to be done and when. |
| Missing documents and data cause delays. | ▷▷▷▷ | Automatic data connections import information directly from the source. |



# A Comprehensive Document Management Strategy

If there's one constant in an ever-evolving profession like tax and accounting, it's that your approach to document management will continue to be a strong determinant of your firm's overall efficiency and productivity.

CCH Axcess™ Document electronically organizes and stores all types of client documents and business communications in one place to support a true paperless work environment.

- Secure and protect your data
- Ensure accuracy with automated file retention
- Improve collaboration with staff and clients
- Digitally organize and manage your documents in the cloud so you're prepared for anything

**Rethink Document Management →**

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