

# Tax Workflow Automation – What You Need to Know for the Next Tax Period

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*How to Put Tax Workflow Automation to Work in Your Firm*

*Sponsored by  
Thomson Reuters*



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# Housekeeping

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- Today's webcast will last approximately one hour
- There is no CPE offered for this webcast
- You may ask questions at any time. We'll answer as many of them as we can.
- There will be periodic "polling questions" which we hope you'll answer.
- Near the end of the webcast we'll have a drawing for a special give-away.

Give-away at the conclusion  
of today's webcast

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## DS-90U Smart 9" LCD Monitor

- Supports Multi Monitor Mode
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- Lightweight and Portable
- Landscape and Portrait viewing
- USB for Power and Video (no video card required)
- PC and MAC Compatible
- Supports a variety of Applications



# Mike Herlihy

## *Senior Director of Product Management for Thomson Reuters*

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- Leads product management from a holistic workflow perspective
- More than 18 years of professional experience in product management, development, consulting and support
- A founding member of GoFileRoom
- Founder of Thomson Reuters consulting team, that works with hundreds of firms to develop tax automation and workflow procedures

# Agenda

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- Why Implement tax workflow strategies?
- Using OCR technology with source documents
- Streamlining the tax workflow process
- Engaging your customers to use secure client portals
- Other key points to consider

# Tax Workflow Trends

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- Heightened attention to automate tax preparation processes
- An acceleration of portals and end-to-end workflow solutions
- Advanced availability of enabling technologies
  - Workflow tools
  - OCR
  - Advanced scanning technology
  - System availability, access and connectivity

# Why Automate Your Tax Workflow?

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- Hard Dollar Savings
  - Save on paper and mailing costs
  - Perform more with the same or fewer staff
- Improved Quality and Service
  - Enjoy quicker turn around times with clients
  - Improve client service
  - Solidify a progressive image for your firm
  - Keep pace with competition and fee pressures

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# Leverage OCR Technology with Source Documents



# Leverage OCR Technology with Source Documents

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- What is Optical Character Recognition (OCR)?
  - Converts printed materials into text or word processing files
  - OCR text can be edited and stored
- 1929 first OCR machines were invented in Germany
- Used in today's document management systems
  - Document searching (profile-based)
  - Full text searching (based on keywords in documents)

# Leverage OCR Technology with Source Documents

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## Scan and Organize

- Scan client source documents
- Create structured PDF following logical order of documents
- Create labeled bookmarks for easy navigation

## Scan and Populate

- Scan client source documents
- Identify key tax data elements
- Transfer tax data elements to tax compliance software
- Eliminate data entry

## Scan, Organize and Populate

- Combine “scan and organize” and “scan and populate”

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# Streamline the Tax Workflow Process

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## 1040 WORKFLOW



# Implementing an Automated Tax Workflow

## Step 1 – Determine efficiencies to be gained

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WORKFLOW PROCESS	EFFICIENCIES GAINED	TECHNOLOGIES TO CONSIDER
<b>Receive</b>	<ul style="list-style-type: none"><li>• Reduce missing information</li><li>• Eliminate back and forth communications</li><li>• Reduce time consuming meetings with clients</li></ul>	<ul style="list-style-type: none"><li>• Web organizers</li><li>• Secure client portals</li></ul>
<b>Organizing</b>	<ul style="list-style-type: none"><li>• Standardized tax files</li><li>• Easy data entry and reference of source docs</li></ul>	<ul style="list-style-type: none"><li>• Scan and organize services</li><li>• Document management software</li></ul>
<b>Prepare</b>	<ul style="list-style-type: none"><li>• Automation of data entry</li><li>• Reduce costly mistakes</li><li>• Ensure efficient staff utilization</li></ul>	<ul style="list-style-type: none"><li>• Links between source documents and data fields</li></ul>

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# Implementing an Automated Tax Workflow

## Step 1 – Determine efficiencies to be gained

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WORKFLOW PROCESS	EFFICIENCIES GAINED	TECHNOLOGIES TO CONSIDER
<b>Review</b>	<ul style="list-style-type: none"><li>• Faster navigation with Source Documents</li><li>• Improve quality of referencing</li><li>• Provide stronger advice</li></ul>	<ul style="list-style-type: none"><li>• Scan , organize and populate</li><li>• Tax compliance software with automated review</li></ul>
<b>Deliver</b>	<ul style="list-style-type: none"><li>• Reduce delivery costs</li><li>• Increase security</li><li>• Offer client convenience</li></ul>	<ul style="list-style-type: none"><li>• Secure client portals</li><li>• Document Management Software</li></ul>
<b>E-File</b>	<ul style="list-style-type: none"><li>• Reduce response time</li><li>• Timely and accurate e-filing</li></ul>	<ul style="list-style-type: none"><li>• Tax compliance software with automated e-filing</li></ul>

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# Implementing an Automated Tax Workflow

## Step 2 – Begin with a solid foundation – tax compliance software

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### Choose a tax software that is designed for end-to-end workflow

- Integrates with portal technology
- Integrates with document management systems
- Is paired with a strong e-filing process
- Has the ability to read and work with OCR data
- Includes on-screen review tools
- Integrates with tax research

# Implementing an Automated Tax Workflow

## Step 3 – Drive efficiencies into your tax preparation and review work

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### Treat tax preparation and tax review as separate processes

- Separate tax preparation and review work/roles
- Take advantage of remote staff and locations
- Offload source document organization and data entry tasks from tax professionals
- Maintain consistency in source document organization to facilitate specialization in tax preparation roles

### 1040 WORKFLOW





# Implementing an Automated Tax Workflow

## Step 4 – Extend your workflow to your clients

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### Remember, your clients are part of your workflow

- Communicate requirements for source tax information
- Follow up on missing information
- Distribute tax returns electronically
- Posting Collected Source Documents

***Start building an online relationship!!***

# Implementing an Automated Tax Workflow

## Step 5 – Leverage your portal channel to drive value added services

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### Use technology to gain additional benefits

- Communicate firm news and capabilities
- Online bill payment
- Offer additional services through the portal
  - Bookkeeping services
  - Payroll services
  - Hosted Applications (Document Management, Fixed Assets, Microsoft Suite)
  - Check writing and invoice payment authorization
  - Web organizer tools

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# Engaging Your Customers to Use Secure Client Portals

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- Announce your portal strategy to your clients
- Educate your clients
  - Promote benefits to them on using your portals
  - Offer incentives to drive behavior (e.g., fee structures)
- Reinforce your message to clients
  - Repetition
  - Different methods of communication
- Be open to client feedback and make adjustments

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## Other Key Points to Consider

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- Assign a responsible project leader
- Plan for supporting technology and infrastructure
  - Workflow Automation Tools
  - Multiple monitors
  - Production grade scanners
  - Wireless Internet cards
  - Hosted solutions
- Leverage training and consulting programs

# Other Key Points to Consider

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- Whitepaper “Automating Tax Workflow” by Thomson Reuters
- Leverage your capable vendors to help you

*Good Luck!*

# Upcoming Events

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## Webcast Next Wednesday, Dec. 9th

***“What I want for Christmas - the hottest electronics for CPAs to put to work in 2010”***

featuring Brian Tankersley in a hot survey of new consumer electronics for CPAs and the accounting professional to put to work for themselves and their practices in 2010.

## Conferences Next Spring & Summer

***New York, NY – May 4-5th***

***Secaucus, NJ – May 12-13th***

***Los Angeles, CA – June 7-8th***

***Chicago, IL – August 24-25th***



And now.... our special  
give-away from



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