

Electronic Document Management Is Here to Stay

Electronic document management (EDM) has been around for quite some time, but only in the last few years has the term become commonplace in the accounting profession.



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EDM has finally taken hold of our profession, and without a doubt it is here to stay. The technologies that support this form of document management have matured and can be found within nearly every CPA firm across the country.

Between all of the conferences, trade shows, electronic newsletters, vendor correspondence and interaction with peers, it would be hard to miss what has happened to our profession with respect to EDM over the past three years. With the expansion of “everything electronic” within today’s CPA firm, electronic document management was the next logical progression.

With the use of technology for tax returns, tax forms, research, tax planning and engagement management, it was only a matter of time before we realized it would be more productive to store the products generated from these applications in an electronic format.

As a result of our needs, the marketplace began to offer many different types of solutions in an attempt to solve our document management concerns. From the onset, however, we saw the traditional big-application players in our industry (RIA, CCH, Creative Solutions, Best and

others) take a wait-and-see approach. They instead focused their efforts on applications such as electronic engagement management solutions, as well as ways to bring together the information currently spread throughout many applications deployed within a firm, including tax, time and billing, and accounting. This initial hesitation by the big players opened the doors for new, alternative ones (Immediattech with its GoFileRoom solution; Habif, Arogeti & Wynne with its SIAN solution; Technology Cabinet’s eFileCabinet solution and a long list of others) to step up to the plate to offer their own versions of document management solutions.

Many of the firms that entered their third and fourth year of EDM originally implemented the alternative solutions mentioned above. Many, after an initial struggle, are now starting to reap the benefits of that early implementation.

A firm that selects an EDM application today is actually at an advantage over those initial, cutting-edge firms that began early. Over the past 18 months, not only have we seen the big players like CCH acquire SIAN from Habif, Arogeti & Wynne, or The Thomson Group (RIA) acquire Immediattech’s GoFileRoom technology, but we have seen this technology mature to the point where many firms are now trying to determine how to mine this information and use it to provide new and proactive client services.



If you've just started researching document management solutions, you'll probably notice two paths that you can follow: you can choose the application service provider (ASP) route, allowing you to piggyback on applications, hardware, storage solutions, redundancy, security, reliability and 24/7 accessibility; or you can choose to host your own solution internally. As with any solution, there are pros and cons. Do your homework, and talk to your peers. Generally, if something is working well, people like to talk about it. Learn from the successes and failures of others by attending technology conferences and reading industry-specific articles and

publications discussing document management solutions. There is certainly no lack of available information.

After the initial sticker shock of looking at the ASP model, you may be inclined to move to your own in-house hosted solution. Carefully consider the cost and labor requirements of internally maintaining applications, hardware, storage solutions, redundancy, security, reliability and being able to provide your staff with 24/7 accessibility to electronic documents. There will be licensing requirements with an internally hosted solution, as you'll likely be using solutions such as Citrix and/or a virtual private-network solution.

One key benefit of EDM is that it will allow your firm to organize its content. By organizing content, you allow members of your firm to work together by sharing documents, work and resources. (There is also a residual cost savings by using less paper.) Firms with multiple locations will see the greatest efficiency gains because work product and client files can now be shared across the firm, rather than within a single location. Multi-office firms can also now share a common electronic file room, consolidate databases and leverage the work done by different offices.

In addition to allowing your staff to share content, you will also be able to "push" this content to your clients in a quick and cost-effective manner. Many firms have taken this approach to make electronic content available via a secure client portal.

Today, we can cost-effectively store massive amounts of client documents electronically and mine the information in ways previously unthinkable. Firms are just beginning to learn about the many ways to tap into this content, and the large service providers are rapidly creating applications to allow us to extrapolate information from this data in ways never before imaginable.

Whether you call it electronic document management, EDM or content management, the electronic management and storage of client files is here to stay. Today's CPAs are demanding the increased ability to access information while on the road and working remotely.

If you have not yet implemented an electronic document management solution, seriously consider pushing full steam ahead as your peers will soon be coming up with creative ways to use that content to market themselves and offer more proactive services to their clients.

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