

Going Paperless: A Growing Trend

By Scott H. Cytron, ABC & Jason Fogler

No one should be surprised at the fact that as times continue to change, so does technology, which is changing at lightning speed!

CPAs are not immune to this change. Finding better ways to professionally manage documentation for clients is the key to providing good services. While the complex technology can be overwhelming, companies that provide document imaging and electronic filing services admit that for some it may be easier to stay in a "paper culture," but the tide, indeed, is changing. CPAs are more open than ever to the idea of a paperless or less-paper environment in order to better manage their firms and provide better service to their clients.

Greg LaFollette, VP of product strategy at Creative Solutions (www.creativesolutions.com) says that File Cabinet Solution has become the most quickly adapted program in the company's history:

"When it was introduced in 1999, it was a completely revolutionary concept and required much description and discussion with our customers. Today, thanks to CPE programs, marketing efforts, industry news articles, and much peer-to-peer information exchange, practicing accountants are not only aware of the concept of 'electronic document storage and retrieval' but also knowledgeable of many of the important considerations in selecting what we like to call a 'less-paper' system."

James Blaylock, CPA, managing member of eFileCabinet (www.efilecabinet.com), agrees that document imaging and electronic filing aren't new concepts. Just five or six years ago, software could cost anywhere from \$3,000 to \$5,000 just for a single workstation, not to mention training and installation. Now, Mr. Blaylock says, the price of the software has been significantly reduced and is continuing to become more user-friendly with each and every release.

"It's the worst feeling in the world [when you're unable] to find a file when a client calls," he said. "CPAs want to have the right answer 'immediately,' and you can't feel any sicker than [if] you cannot produce the answer quickly. As regulations continue to change and accountability is more important than ever, CPAs are discovering that more and more paperwork is required to get the job done. As a result, it is getting more difficult to manage the process."



As a CPA, Mr. Blaylock understands the need throughout the profession to be cost conscious, but he also understands the "give and take" required to move toward a paperless office.

For example, he points out the significance of trying to cut expenses when considering a scanner to be used in a paperless office: "It's easier to buy a less expensive scanner. But when you realize how slow an inexpensive scanner is [when] scanning documents, it really *is* worth the initial outlay of money [to purchase] a more expensive, faster unit, especially one that is capable of scanning 15 to 60 pages per minute."

John Stelmach, vice president and chief financial officer for Computhink (www.computhink.com), believes that return on investment is the biggest factor to consider when considering a document management system. "In the current economy, our business is picking up," Mr. Stelmach said. "But people are still moving slowly, carefully looking at their return on investment. Once they see the benefits in this kind of document management system, it can pay [for itself] in just six months."

In terms of software, user friendliness and security are the primary concerns of users. "The *.PDF file is virtually unchangeable and maintains document security — no one can change the document," says Tim Nissen, marketing director for Doculex (www.doculex.com). "Since CPAs must share many documents with other groups, and the flow of documents goes back and forth from CPA to client and back to CPA, security is something not to be overlooked."

Mr. Nissen points out that many organizations with which CPAs interface on a regular basis are also using the *.PDF format. Although a document can be altered if the user has the full version of Adobe Acrobat rather than just the Adobe reader, the U.S. Bankruptcy Courts now require all evidence documents to be in *.PDF format.

Mr. Stelmach agrees that security is a really hot button in the area of document management, and it is on the minds of all those who want to invest in such a system for their office. "Security is the key. What people get with Computhink, for example, is a piggyback into the existing security systems of Microsoft and Novell's NetWare in addition to our own level of security. Security can be easily

assigned with viewing privileges for faxing, printing, e-mailing and/or exporting documents."

When it is time to purge unused documents, CPAs should address how to manage the purging process in conjunction with moving their firm and clients to a paperless environment, advises **Joe Harpaz**, chief technology officer with Immediatech (www.immediatech.com).

"Records retention and purging those records is something not everyone considers immediately," he said. "CPAs need to consider and plan on destroying the stored, hard-copy documents once information is transformed into an electronic file. In retention, documents should be kept for however long they need to be kept and then destroyed as soon as they can be purged."

Mr. LaFollette pointed out that "many firms still struggle with the concept of 'paperless engagement' as compared to 'paperless office.' The former, although very important for certain practice types, is almost never an adequate substitute for the latter. A storage-type program for a firm must incorporate all sources of data. Many of those sources may be from a particular engagement, but a simple fact of public accounting is that clients are not tidy and their data isn't either. Most effective implementations incorporate 'engagement' level storage directly into the overall 'client' level system."

In an effort to market services to CPAs and better understand their needs, several document management companies regularly attend CPA and accounting trade shows to keep up with how the business marketplace is changing. According to Mr. Harpaz, the sales process is vital to the educational effort. For example, once implementation has occurred, Immediatech puts great emphasis on its training seminars.

Mr. Blaylock says he attends accounting seminars, tax and other continuing education events, as well as technology trade shows to spread the word about his product. He explains that most people, initially, are concerned that the program will be difficult, but once a demonstration is given, customers actually feel they can manage the new technology.

For Creative Solutions, "those that adopted early are now completing three years of use and are reporting phenomenal time savings as well as beginning to reclaim physical paper storage space," indicated Mr. LaFollette.

"They have also provided us with much valuable feedback resulting in significant improvements and enhancements to the program. Today, we see an ever increasing number of firms moving from the 'experimentation' phase to the 'full adoption' phase — shifting from trial usage to a full scale business rule modification in an attempt to eliminate, as much as is practicable, paper files."

Document management experts agree that the benefits of going paperless far outweigh the apprehension of losing the "paper culture." Proven benefits include improved customer service, client loyalty and efficiency; increased flexibility; reduced operational costs and risk exposure; space savings; and higher employee satisfaction.

Here is a brief product description of various document management and imaging companies for consideration:

Computhink

Computhink Inc. (www.computhink.com) offers image-enabling software for enterprise-wide information sharing. In March 2002, the company released ViewWise 5.3. According to the company, ViewWise provides businesses and governments fast, reliable and secure web and enterprise access to critical compound documents and images, with seamless integration for GroupWise users. ViewWise 5.3's tight, 128-bit document encryption, coupled with the convenience of remote login, delivers e-documents by allowing users to search, interact and collaborate with compound documents — all in a multi-user, electronic environment protected by assigned security privileges. Using Java server-based technology, the program adheres to many industry standards and facilitates seamless integration with much of today's existing hardware and operating systems.

CPASoftware

CPASoftware (www.cpasoftware.com) recently introduced its Visual File Cabinet for electronically storing, organizing and retrieving client documents. The program archives directly from the company's tax, accounting and practice management products as well as from other third-party programs like Word and Excel. Visual File Cabinet offers password protection by individual documents or clients, with user-level security for attaching, archiving and editing documents. In addition to managing and storing documents for your firm, Visual File Cabinet can also be used by your clients to track information on their customers.

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Reclaim Your Physical Paper Storage Space

Continued from page 52 **Creative Solutions**

Creative Solutions (www.creativesolutions.com) offers a comprehensive line of integrated write-up, payroll, client accounting, depreciation

be scanned into the program using any TWAIN-compliant scanner by simply pressing the scan button on the toolbar. Copies of files can also be e-mailed. FileCabinet Solution also enables you to track

and multifunctional copiers/printers with scanning capability. The company's PDF.Capture provides an integrated scanning and *.PDF conversion solution. Fully searchable and retrievable *.PDF files can be easily managed and distributed in web-based information management systems and local or wide area networks.

eFileCabinet

eFileCabinet (www.efilecabinet.com) is compatible with numerous programs that access date files on a user's network, including Citrix, PCAnywhere and goto mypc.com. The system uses a browser-based interface and is compatible with Netscape and Internet Explorer. Files are located by using a client's first name, last name or both. The eFileCabinet system consists of a web server and a database server on one of your computers. In the database, each of your clients receives a drawer in the eFileCabinet, and each drawer has dividers for year and type of work. Papers, files, and documents can all be scanned into your computer, saved as image files,

and added to eFileCabinet. Scanned documents are stored as images, preferably in *.PDF format. The system also allows you store any file type recognized by Windows.

ImmediateTech

ImmediateTech (www.immedietech.com) offers Gofileroom, a web-based document management service designed for CPA firms and financial companies. Gofileroom can be quickly and easily implemented in all areas of a CPA firm, including tax, audit, human resources, legal and other areas.

With one integrated system, you can manage documents generated directly from your existing tax and audit software, scanned documents, Word, Excel and *.PDF files. Documents can be accessed securely and remotely from your office or remote locations with the ability to edit documents using highlighters, sticky notes, tick marks, digital signatures and stamping.

Integrated Document Technologies, Inc.

Integrated Document Technologies, Inc. (www.idt-inc.com) offers Acorde Desktop Pilot Pak for small to mid-sized professional businesses such as accounting firms, insurance agencies and physician offices. The product is a complete, pre-packaged hardware and software system with all the tools needed to scan, file, store and retrieve paper documents electronically. Included in the Pilot Pak are the following: Optika Acorde capture and indexing software; Optika Acorde Desktop Document Imaging software; high-speed Kodak scanners; Windows and SQL servers for scanning and storage; Compaq servers and workstations; system installation; system administrator and end-user training; and ongoing technical support. ■

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tion, trial balance/audit, tax, tax planning and practice management software, in addition to web-building and client portal services for practicing accountants. With nearly 60 CPAs on staff, Creative Solutions offers software written for accountants by accountants. Creative Solution's document management system, FileCabinet Solution, allows for the storage of virtually any document, including the company's software files, most Windows-based files and scanned images of source documents. Images can easily

event history and keep any log of events, including who completed each task relating to a client.

Doculex

Doculex (www.doculex.com) offers imaging solutions that convert paper documents to searchable electronic files. All of the company's software products are in a Windows-based, open-system format, compatible with all prominent document management systems. The company's imaging software supports most major brand production scanners

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