What do you want out of MSNA? – Led by: Debi Gellenbeck
Monday, June 12, 2006

Merger with Moore Stephens

The Global Alliance meeting last year
- Quarterly conf. calls
    - We're all busy people
    - Don't schedule a call just to have a call

What are we going to get out of MSNA?
- International reach
    - Provide our clients with firms that we have an association with
- Resource section
    - Materials
    - Quarterly conf call
    - Best practices
        - Drill down
        - What worked well, what didn't?
    - Purchasing power

- Will need to quantify membership - what return are we getting on the investment

- NA - experience reach (partner with other firms) and reach to other states
    - Sharing resources
- Former group didn't have a FA group

Partner group wants to know they're getting back something for the investments

SIG - want to have focus and direction
- Universal topics

Best Practices - Led by: Michele Glattfelder
Tuesday, June 13, 2006

Scheduling - Michelle from Grassi & Co,

- 80 people
- 12 years
- Excel database - posted on intranet
    - Weekly meetings with mgrs and partners of firm
    - Go over jobs running
    - Status
    - Where time is needed
    - 3-6 month out scheduling
    - Financial statements in process
    - Tax returns (tax work flow)
    - Better feel for clients
    - Understand the lingo, rules
    - Partners are less involved
    - Managers more involved
    - Added the Sr. level audit staff to mix - more ownership, responsibility
    - Tax season - review back log
        - Schedule returns
- Time? About an hour meeting each week
- Backup? no

- Question - partners only want seasoned people
    - Will review what makes best sense

By bringing srs in, they take an ownership - will utilize staff more

To increase utilization
Goodman - 1st year assoc. set up at 60% rate
Grassi - 1st 6 months - 50% rate

Rea & Associates - new assoc. work with bookkeepers
Training tool - Prepare a tax return by hand

Scheduling software
Mohler Nixon & Williams
Clare - Retain (Price Waterhouse used it)

- User friendly
- Staff can get in to it
- Can run reports by person, mgr
- Easy to

Goodman
Lynn - Prostaff

- Stand alone versions in each office (there is an upgrade)

Rea & Associates
Debi - Prostaff

- Not easy to set up, but once set up works well

Bonadio
John - Prostaff

- Just brought it on board
- Availability reports
- Import what they worked on from Prosystem
- Will show the cost (margin/recovery)
- Track budget vs. actual (can import from MIS)

Where does scheduling reside?
Bonadio - in HR (person from audit staff)
Armanino McKenna - in training area
Rea & Associates - wanted to bring it back to admin. Youngest partners stepped forward, but gets put on back burner
Goodman & Co. - AR and collections person (not part of internal accounting - part of corporate admin.)

Michele – Grassi & Co.
Handles AR and eng. Letter process

Armanino McKenna - assign managers to every engagement - report is gen. yr to date (realization) and sent to leader of area

Grassi & Co. - monthly review of jobs

Rea & Associates - Mize Houser does that

Time Entry
Rea & Associates - daily timesheets for 10 yrs. Make system accessible. Firm policy in by 9am. Each office sends admin report at 1pm (realization, etc.). Partner group and mgmt comm. supported.

Grassi & Co. - billing twice a month -- should be entered daily -- remind them weekly

Make it part of evaluation matrix

Bonadio - receptionist Will automatically email those (if 3 or more days, John gets the email -- will issue paper check vs. direct deposit)

Realization and incentives
Potter - Tried incentive based on realization, but there are good jobs and bad jobs
Rea & Associates- team bonus - wasn't worth the hassle
Rea & Associates- staff survey -- biggest complaint into communication

- MP gives recognition to teams
- Recognition more than reward

Communication
Potter & Co.
Anonymous email to MP (just know which office)

Grassi & Co.
If I were managing partner link…
Monthly staff meetings (committee assembles agendas)
Weekly email to partner group - things that are going on

Rea & Associates
Marketing - newsletter highlights of firm, clients, prospects (from the water cooler…)

Bonadio
Enterprise eNews
Monday email - each functional area - what's new? What's happening?
Administrative asst. gathers and puts it out.

Carr, Riggs & Ingram
Email group - how to handle the 'all' email button

Rea & Associates
Strict computer usage policy

Perks/gifts/logo wear
Mohler Nixon and Williams - once a year order items and let people pick something out
Rea & Associates - tax season 3-4 gifts for everyone (stadium blankets, wind breaker, lottery for gas cards, lottery for cash) Service recognition for every 5 yrs.
Bonadio - just implementing service recognition. Logo wear to college recruits (fleece wear) -- they use and give visibility.
Carr Riggs and Ingram -- tax season survival kit and healthy weight loss challenge.
Rea & Associates - lunch 1 day a week
Armanino McKenna - service award (travel agent) ($6500 for 25 years)
Fun bucks that they earned - auction -- at the tax season party

Fundraising
United Way
Collect food
Relay for life/leukemia society
Decosmino & Co. - Nick is chair -- 4 campaign chairs -- tours with united way agencies
- Meeting and speaker

J.H. Cohn - Bowl-a-thon for Make a Wish

Grassi Olympics (teams - decorate offices, planned events)
Carr Riggs - Braves game
Museum for family
Bonadio - $50 health club/yr, recruiting/retention/alumni, busy season appreciation days (last Friday of summer months off), summer hours (close at noon on Friday), movie pack
Grassi & Co. - free Saturday off, everyday dinners
Get hours in vs. mandatory Sat.
Decosimo & Co. - March and April everyday dinners and lunches
Grassi -
Bonadio - annual meeting in July - State of the firm -- share financial information: afternoon fun event (bowling). Semi annual winter time - 1/2 day pep rally. Depart. Heads given 5 minutes to present.

Note: Send sample internal newsletters to Jessica
Note: Send sample Travel policy to Jessica

Reqwired

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LMS - specifically built for accounting and law firms

Web based

- Any time, any where access
- No IT costs
- Extensiveness that they track the regulations and rules

3 main modules
Cont. education tracking
Corporate university management
Customized learning plans

Compliance Manager

- Lists all associates, credit needed (red - deficit and deadline listed)
    - Status report profile (stats about his relationship with state)
    - Compliance period
    - Categories of CPE credit
    - Earned, required, what's due
    - 'Rules' highlight section

- You can establish an extension online

- Status report can be automatically sent out via email.
    - Can send on-demand email

- Search capabilities
    - With filters/sorts

University (can have more than one provider of courses)

- Repository of courses you want assoc. to know about
    - Courses = content
        - Content you want to deliver to your associates
            - Titles, summary, description
    - Course activities = delivery of content
        - Who, what where when why
        - Can make it into an 'advertisement'
            - Marketing component
                - Course activity management menu
                    - Email invitations (groups, etc)
            - Schedule learning dashboard
                - Calendar
                    - Can put a cap on the number of people allowed to register
                        - Then on a waiting list you can manage
                    - Will automatically send calendar appt. to save to calendar
        - May be able to invite people based on what they need (summer release)
        - Can add registrants for walk ins
        - Can email all registrants
        - Can configure automatic email reminder to be sent out prior to meeting as a reminder

        - Can generate a sign in sheet (record of attendance)
        - Name tents can be generated
        - Evaluations (customizable form -- there are templates)
            - Paper - enter results
            - Email - fill out evaluation online
            - Manage evaluations
                - Summary report
                    - Overall rating
        - Certificates
            - Email
            - Custom or templates
            - Archived in system and individual accts.
                - If audited, can generate their own certificates
        - If you take external CPE, you have to enter it (either individual Or centralized)
- Can import a state's trainings by setting up another college

Customized Learning Paths

- Set the expectations for learning on the prof.
- Firm can track expectations
- Platform for discussions with perf. Coach

Paths

- New hire training
    - Assign path to employees (mandatory? And target date)
- Administrators
    - By employee
    - By course
    - Customizable to the individual. Level
    - Coach accts
        - Can be informed of registrations and veto

Reqwired network list

- Employee leaves
    - Detach them
    - They can still look up info on their own
    - If they move to another firm, it can travel there
- Data export
    - Can import records
    - You can export and download onto the network at any time

- Support and training
    - Free and unlimited
    - Will always talk to a person - no machines
    - Videos
    - Descriptions

- Single sign on
    - Link to Intranet

- Reqwired mobile version
    - Can create a mobile friendly version of evaluation

Questions
Time and billing integration? Can set up a link to Reqwired
Mobile devices - for end user
Can track accountants and attorneys on same system
Demo - call and set up web conferencing

Setup (access/excel)

- Export from HR system
- Licensure date and location
- Activity participation history
- New hire
  - Read and write access
    - They can enter licenses
  - Data steward has to enter in new hire

Content distribution

- Can do minutes breakout and take number of minutes and automatically figure out how many credits each state will grant.

Pricing - all annually (after 1000, then reduced by 50%)
Every seat (university) - $10/yr
Need CPE tracking - add'l $20/yr
Learning plan - add'l $10
Coach accts - $50 per acct for first 100, then $25/each after that
Administrator seats - 1 free, $400/each

User group assembled

- Annual meeting
- Quarterly conf. calls

MSNA Update/Website - Jessica Levin and Steve Sacks
Monday, June 12, 2006

Committee Structure
Special Interest groups are led by a committee (with chair and vice chair)
- Drive the strategy, vision of special interest group
- There are subcommittees or special task force groups that can be established.
- Created structure and processes.

Debi Gellenbeck - Serving as Chair to December 2007
May of 2007, committee will elect a new vice chair
Jennifer Hoege - will serve as chair beginning Jan 2008

Marketing SIG
Tues afternoon - meeting with marketing SIG
- Webinars and conf calls on related topics

Will set up something similar for the FA SIG.

Marketing - productizing services (taking a service and making it easier to sell)
- How can we brand some services as Moore Stephens
- Take marketing and FA and bring them together with the MP group

Recruiting, training and development SIG
Conf. calls:
- M&A - people side of it
- Work/life initiatives

December - first HR SIG mtg.
- Want to incorporate Marketing, FA and IT

Conferences
“Behind every CPA is a great ….”
Dec. 6, 7, 8 -- Las Vegas
Haven't selected a hotel yet - probably off the strip
- Details coming in July
- A subcommittee has been formed from the SIGs . Need a few more volunteers

Want members to drive the SIGs - want ideas to come from you.

Discussion on meeting structure
- Possible annual conf with SIGs and MP

Spring meeting with SIGs and the MP
May 16, 17, 18 2007 - Chicago

Moore Stephens Website review
- Public access and members only
- Profile info
    - Must populate
    - In the public section
- Publication section
- Find a CPA or consultant

Members Only Section

Encouraging everyone to logon and enter information - this is what drives the database
FA SIG

- Survey of topics of importance
- Links to websites you use
- Tools you use
- Templates
- Written or read an article
- Newsletter info to share
- Email the SIG
    - Will auto-populate with all users of the SIG
    - Clearly state what it is that you need and who to contact directly
- Event calendar
- Logos
    - Your website should have the MSIL (90 countries) logo (retired MS US)
    - User guide will be loaded here
- Conference materials

Edit Your Profile Information

- Your information
- Change password
- Title - they can update
- Specific to CPAs and consultants
    - Industry expertise
    - Practice area
    - Criteria for Expert, Specialist, Generalist
- SIG membership election
    - Active
    - Future
        - Will add those as interest indicated
        - 6-12 months
        - Discussion boards
        - Some will get to formal meetings (such as SIG)
- Media contact and speaker
    - For CPAs and consultants

Info goes into database

- Find a member (internal only)
- Find a CPA (external)
    - When the public wants for find an expert or firm

Who to enter profile? Look at titles listed.

Administration for site (*see user guide for instructions)**
Set up user names for those in former MS group and those in Global Alliance list serve
Everyone should have received email and login instructions

- Who from your firm should have access - sent to MP
- Most are doing partners, some are adding managers
    - If you want list, request from Jessica
- Firm data (updated for all of your locations)
    - MS will review with the marketing group
- Only visible to Group Administrator
    - When you set up someone so they can logon, you can:
        - Hide all results - won't show up anywhere

- Hide from 'Find a CPA' - won't show up externally

Your website: Want a consistent use for Moore Stephens Logo - and link to MS North America website

Liability Insurance: Admin. strategies for successful renewals
Monday, June 12, 2006

Take Away

1. Application process: Simplify
2. Proactive: prevention
3. Education
4. Coverage/claims
5. Cost
6. Claims mgmt: broker role
7. Why and when should you look at alternatives
8. Who to call/answers
9. Resources/samples/advice
10. Level of coverage
11. Comprehensive coverage
12. How do you recover from a huge claim
13. Underwriting process

Underwriters had over-reacted after Enron.

Profession is gaining respect (underwriters are encouraged by that)

Katrina impact - all pay for the consequences

Biggest risk is tax

What do they look at?

- Revenue - past and future
- Number of professionals

Would like to see the term Acquisition vs. merger used. Would like to know that thought was put into it - cultural fit.

How do you manage multiple offices?

Compensation plan (beyond comp. on what you bring in - are you dev. People, etc.)

- Ask how the partners are compensated

Neg. eng. Letter - send to all that states what we're engaging in, let us know if you disagree

4% discount for not suing for client fees

SEC work? 4 options

- Camico - avg. firm $4-5m - accounting sole source of their client base - pride themselves on having CPAs working for them, provide up to $10m (after $5m, reinsured through London)
- CNA (endorsed by AICPA) - geared towards larger firms
- Fireman's fund - $15m and up (will cover you for financial services work)
- London - gen. more expensive (higher % of firms who are distressed)

Application is the most important item in the renewal process.

Question: ever have someone or relative work for client?
Answer in addendum (if not enough room). Be as honest as you can be.

Be reflective in disclosure…what would you do differently?

Inc. excerpts from you website with your application

Open door policy? How does your firm accept claims? Poll your professionals.

Trends in Firm Technology - Roman Kepczyk
Monday, June 12, 2006

<u>10 Things that will change your life (CPA)</u>

1. 80 - 90% have dual monitors

3 screens for the 'heavy guns'
Change from landscape to portrait (because that's how we scan)
Desktop - last 4 yrs

- Go to 2 GB of RAM (for dual monitors and next versions of Office)
- Be careful about machines that aren't upgradeable (thin Dell - SX280 -- doesn't have expansion slot)

Dual monitors in the field

- Carrying them out into the field
- 10% increase in productivity
- Products that are dedicated, but expensive

Audit team

- Start with mgrs/reviewers

Tax - phase

- Comfort With dual screens
- Scanning at back end
- Scanning at front end and doing everything onscreen

Tablet PCs

- What application do you use that will make a difference?

Future - oversize and flex displays (paper thin screen that can bend or flex)

2. Razr, Slvr and Q phones

- Fully functional (like a Treo)

PDA

- Microsoft - pocket PC
    - Trend will be towards Microsoft/Treo (right now the resolution is low)
- Treo
- Blackberry

How to keep data secure? Only access data when logged in, and more secure password protection.

All Band phones

- Connect with best wireless signal

Bluetooth enabled (short range WiFi) - ear pieces

- Bluetooth enabled car
    - Call comes in - rolls up your windows, turns down your radios, and turns up your speakers -- just like being in a conf. room

What about Blackberry?

- Asked at AICPA conf. - 50/50
    - Lawsuits
    - Huge emphasis to push through other solutions
    - Firm pays for owners - senior mgrs and mgrs
        - Some may pay for critical staff (4 hr response time)
    - If employee buys firm standard PDA - some reimbursement for device, but employee pays for access charges
- Make sure you password protect

WiFi network in field - make sure they use encryption (test regularly)

Jiwire.com: address for client site and it will give you locations for WiFi hotspots (free or low cost)

Check your
Wifimaps.com - if you type in your address and your office comes up, your office is not secure
Verify that those at home have a secure connection

- Otherwise someone can copy your keyboard strokes

Telecommunications

- Has reduced the cost due to infrastructure changes
- Use for phone calls
  - Skype (can do calls overseas for free, over your computer)
  - Skype and Netgear to launch WiFi phones
  - Vonage - business line (and personal) unlimited phone calls
  - Skype - acquired by eBay -- be able to purchase small items through your phone (coke)

4. Information chain

Data - information - knowledge - wisdom

Intranet

- Front page
- Captures all data (policies, procedures) not related to a specific application
- Document knowledge (guidelines) and share with rest
- FrontPage - being discontinued after this year, coming out with something else
- Sharepoint - lotus notes killer -- Front end organizer
  - Your intranet will evolve to Sharepoint

Integrated applications

- Practice management = outlook = tax (custom fields in PM can be linked to Outlook)
  - Centralize updating to admin team
- Firm practice mgmt dashboard (now part of package -- CCH included with upgrade, reduce user license)
  - Creates a live update of whatever you want
    - Allows you early on to review status on hours, etc. (green, yellow, red)
      - Allow you to know immediately
    - Receivables 29 days out creates automatic email
  - Xcelsius
    - Creates your dashboard
- Business Intelligence
  - Ways to import competitive intelligence (clients, firms)
    - Profitcents

Future: Intelligent Search Capability

- Google desktop - will index your entire hard drive on computer (can buy server version)
- Windows Vista (Microsoft will give you server version)

5. Data flow technologies

Audit work flows

- Trial balance
- Work programs (PPC eTools)
- Digital fin. Statements
- Transfer to tax return
- Doc. Mgmt

- Following year rollover
    - CCH eng, Caseware

Admin. workflow

- Optimized time and expenses (when you enter time, exp. are paid automatically)
- Integrated PM/outlook
- Digital data management
    - Can print to doc. Mgmt or scanning software and type in the responses
    - PDF rules (over Tiff)
    - Digital invoicing
        - CPAS: you can designate an inv. to be digital - will be emailed and saved
    - Digital accts payable and doc. Mgmt.
        - Reduce paper trail/filing
        - Reduce timing (never be late)
        - Maximize CC float
        - Affinity: extended warranty, miles, % rebate
    - Tax workflow (Xpitax -- good reporting)
        - Due date
        - Supporting documents
        - Preparation and review
        - Efiling
        - Archiving

6. Outsourced Expertise

ASP application

- Banking, payroll, research
- Spam, anti-virus, spyware
    - Postini (do first scan)
    - Frontbridge
- Document management
    - Thomson Go File Room
    - CSI Netclient CS
    - CCH…in the works

Services

- Network integration (those that do it for a living)
    - Flash Management Reports for Monitoring IT (RK article)
- IT staffing
    - Graymatter firm in Atlanta: disaster recovery for CPA firms
- Security 'Hardening'
    - 3rd party review (Qualys.com)

7. Client service

Transition to controllership services
Training in QuickBooks

- Sleeter Group
- Bridge21
- K2Enterprises

QuickBooks vs. Microsoft
QuickBooks - have kept it simple
Microsoft - uses word, excel, outlook

Integrate doc. Mgmt into your back office

8. Less Paper Transition

Overcoming Paperless Concerns

- Cost/ROI (email blasts re: lost file)
  - Run out document mgmt proposal 3 years
- Document access
- Legislative concerns
  - Why don't we have HIPAA for CPAs?

9. Information Transport

Secure data fobs

- Password protected
- Is emailing a PDF secure?
  - Programs that will wipeout passwords
- FTP site - allows you to transfer files

10. Security

Firms will invest in:

- Document access controls (physical)
- 3m privacy screen

Disaster recovery and planning

- Immediate response
- Determine what is acceptable down time (1 1/2 days)
- Develop plan
  - AICPA disaster recovery section
  - Tsif.com

Intrusion detections

- Future: biometric

Paperless Documents - Go File Room

Monday, June 12, 2006

FA - key role

Scanning - key piece of making it successful

Digital - how the firm saves its documents, how the firm operates

DMS - manage the knowledge of the firm
- Long term archive
- Security

Look for?
- System designed for accounting firms?
- Can handle long term growth.
- Support multi office
- Workflow
  - How do you move it from one person to next
  - Tracking
  - Due dates
- Want to customize
  - With no impact to upgrades
  - Time and cost
  - Flexible
- Security
  - Network
  - Application
- Professional group to work with on design

Benefits
- Return on investment
  - Productivity
  - Efficiency
    - Assists in recruiting
  - Better resource/firm management
  - Enforcing firm standards to support growth
  - Enhanced client service
  - Compliance and security
  - Disaster recover and business continuity
    - Everyone could work from home
  - Retention and morale

Role of FA
- Enforce indexing (filing) standards
  - Set ahead of time
- Facilitate internal procedures
- Manage scanning operations
  - Ensure quality control
  - Not the primary scanning person
- Communicate to partners (feedback from users to partners)

Scanning Best Practices

- Centralized/high volume batch scanning
  - Dedicated personnel for central scanning
- Ad-hoc scanning
- Quality control is key

Common pitfalls

- Not setting the right expectations
- Shortcutting procedures and standards
- Doing it on your own
- Lack of internal project management
- Proceeding without top level buy-in
- Lack of adequate technical environment
  - Scanning equipment (some dedicated equipment)
  - Dual monitors
  - Adobe acrobat (want training for your assoc.)

In house vs. outsourced

- invest or have it hosted

Takes 18 - 24 months to reduce files, etc.

Audit trail