

Guest Columnist: *Jill Ashley, Ashley Financial Services, PA, CPA*

Embracing Radical Change



Four years ago I moved my CPA/financial planning practice 65 miles to my new home.

After brainstorming for months (or years, probably, at a subconscious level), I scribbled on a legal pad split into two columns – things I liked and things I disliked – about my practice/career. Ideas poured out like water from a burst pipe. What was evident was my passion for the core of my work and for working collaboratively with my favorite clients.

But I was prevented from fully developing the holistic financial service practice that beckoned me because of “B&M Inhibitors” (as in “brick and mortar”). There was the requisite care and feeding of employees, interruptions from administrative hassles or annoying walk-in salesmen. Civic duties competed for precious time in my typical 75-hour work week. Copious hours were lost every week searching for files notes, and messages amid mountains of paperwork that left me perpetually overwhelmed. I never felt I was able to focus on what I did best due to the trappings of my traditional office settings and all the paper.

From my time-and-billing program, I pulled a list of my 250 clients and ranked them according to my personal criteria:

- Sufficient revenue or potential revenue to warrant keeping them;
- My belief in their ability to adapt to working with me differently (remotely, or meeting in their home or office, rather than dropping by my office at whim);
- Their desire for holistic financial services beyond tax return preparation and compliance;
- And most importantly (truly): how much I loved them.

Having fired one or two clients over the years when there was a poor “fit,” I easily narrowed my selection to twenty families (including their businesses, children, trusts, and other natural extensions). The remaining client base was sold to another local CPA in whom I had great confidence, knowing that we shared the same professional values and quality standards. (After attending the same CPA boot-camp several years earlier, we became close professional friends – often meeting for lunch to discuss practice management issues and share ideas). I secured positions for my staff at his firm, which helped smooth my clients’ transition to him. I rented out my former offices, and my new tenants bought most of the furniture, printers, computers, filing cabinets, and even excess supplies.

Quantifying the potential revenue streams in my new venture was not difficult. The daunting task was devising a way to assure my clients that I could serve their needs more thoroughly and pro-

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actively than in the past – and to ensure that I would be able to accomplish what I promised without any staff.

Did I mention that I was technologically-disinclined at that time? I was the business owner that told her computer guys “don’t explain any of this to me – or tell me I have to upgrade every five years – just put a Band-Aid on it and get my network back up.”

I hauled my 200-pound high speed copier that I had just recently paid off to my new home. When I arrived, the copier would not work due to “shifting during transport” and no one carried the parts to fix it anymore after the digital revolution. I decided not to replace it. I reasoned that if I had another copier I’d continue to purchase and copy lots of paper. I hate paper. Similar to the perfect diet plan: to avoid consuming high-caloric junk foods, don’t keep them around! When I think of all the dollars I used to tie up on copiers, toners, parts, service calls, electricity and floor space -- all of which added to the frustration of managing all that paper over it’s lifeOy!

Once I didn’t have a copier, I found ways to work around it. It forced me to scan things into files before the paper hit my floor or desk and, from there, going immediately into my shred box – or back to the giver. In instances when bulk copying is required or I’m working on the road, I stop by a Kinko’s or an office supply store to use their commercial grade machines. It is far less expensive than housing one myself.

My New Business Model Required Immediate, Creative and Radical Change

I trashed my time-and-billing program; now I “value bill” at flat fees or percentage of AUM.

I visited several colleagues’ offices to see how they harnessed technology in their firms. I caught Joel’s virtual office presentation at the AICPA’s PFP conference in San Juan, read Dave and Joel’s book, and gleaned ideas from online research.

If I had known a Fujitsu *fi4220c2* scanner and dual flat screen monitors could have simplified my life so much, I would have taken that basic first step long ago. And my first document management program (PaperPort 10) made cleaning up my office a breeze. Once I scanned and electronically filed everything scattered across my floors and desk, I knew I had been liberated. I built my own research and reference library for easy retrieval from my portable laptop by scanning in all the articles and ideas I’d collected and squirreled-away over the years. I also use PaperPort’s Web-capture function to pull Web pages directly into my files, or sometimes convert a Web page into a PDF with one click and drag and drop it into a permanent file. This function is especially useful for archiving website pages for compliance purposes.

What I liked about PaperPort is that it was easy to get started, and I especially liked the ability to set up whatever file names and structure made sense to me. I didn’t like other document management programs that forced everything into their pre-designated, generic file names or limited numbers of sub-folders. I’m also not comfortable with an OCR search function if it prevents me from “eyeballing” the filing system I’ve built. I guess I’m visually oriented. I don’t have any trouble retriev-

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ing an article, note, spreadsheet, or photo from the electronic filing cabinet that I can see on my desktop. I set the preferences to “thumbnail” to view the underlying documents.

Having said that, I must add this footnote: when PaperPort 11 Pro was released, I responded to Nuance’s marketing email to upgrade my earlier version. The price is so inconsequential – who wouldn’t be willing to add more bells and whistles and correct some of the glitches?

It was a disaster. Suddenly thousands of documents I had spent many hours scanning into hundreds of files were no longer would print correctly. Blank pages spit out of my HP 1300 laser printer for the PDFs I saw on my screen and my earliest scans -- in ScanSoft/Nuance’s proprietary “.max” format -- were not recognized by PaperPort 11.

I endured about 10 days of “downtime” emailing and sending files back and forth with Nuance tech support. The bottom line was that I’d have to manually convert each document to a different PDF format size before I could print it again. The problem I faced was that I’d have to test thousands of documents to determine which ones were affected – not the best use of my time.

I completely removed the PaperPort program, while leaving my file hierarchy intact. Then I upgraded my Adobe to the full Adobe Acrobat 7.0 Professional version. I had comfort knowing that Adobe Acrobat would be able to read and print any format size version of an Adobe PDF document. I also had interest in exploring some of the other features in Adobe Acrobat 7.0 for designing interactive PDF brochures to post online in the future.

I looked at a couple more document management systems in my price range, but wouldn’t settle for the pre-set file names. I also couldn’t get comfortable trading my visual filing system for one that lied “behind the scenes,” requiring me to remember the key words I assigned to documents for retrieval. Instead, I am scanning directly into Acrobat, and it is suitable.

The Workplace Before the Internet Conjures Up Quaint Memories of a Bygone Era

I never would have imagined the pleasure in simple tasks such as taking a call from clients while I log onto their investment accounts to discuss real time-activity or current balances, simultaneously pulling up the notes from our previous financial planning meeting, reviewing their insurance policies I’ve scanned and glancing over their previous five years’ tax returns without leaving my desk or putting my phone on hold. I often drag a PDF or Word or Excel document to my Outlook email and send it to them while we chat. (I use Fidelity’s AdvisorChannel.com platform to view portfolios and, when needed, Morningstar Principia or I-Shares’ *free* online tools to build colorful portfolio reports for presentations).

With more tech-savvy clients, we IM (instant message) from our computers and begin a voice and video conversation using free MSN Messenger. I have a Logitech QuickCam Pro 4000 perched on top of my flat-screen monitor. (I nearly always research products and buy them from a reliable online retailer after comparing their prices on Pricegrabber.com). Although I haven’t used the camera extensively yet, I have been pleased with the quality thus far, including its face-tracking feature.

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And I have bigger plans for its use in future “meetings” with remote assistants who will retrieve and upload files from www.ashleyfinancialservices.com.

Once my virtual office website is complete, I am promised that it will include a secure vault with FTP function accommodating two-way file sharing and secure vault storage for clients and remote assistants utilizing secure, password-protected portals. I expect many clients to scan and upload their year-end tax documents, sparing me that task.

Other efficiencies to be gleaned include enabling clients to retrieve and print their posted copies of special-interest articles, personal financial statements, and tax returns for their banker when they need them. This will allay my worry of faxing sensitive information to public locations. When the time comes, I am even willing to provide a scanner to those business clients who will upload documents through my website – saving me time and tasks.

Our industry is quickly separating “old school” and “new school” businesses by their efficient (or functionally compromised) operating models. Personally, I don’t even care to collaborate with an attorney or other professional who still rarely checks email or isn’t able to maintain at least one staff member who can scan and send a document to me in PDF format. In my opinion, these professionals are quickly becoming *irrelevant* in an “ADD” world.

Tools I’m Currently Using:

MaxEmail empowered me to chuck my 1995 Brother fax machine and cancel my separate phone line. Now I send and retrieve faxes via email in PDF format. Since I am often on the road or working from my second home, I can’t be tied down to a physical machine. Of course, I also avoid all the fax cartridges, paper jams and connection problems when leaving any machine unattended. I compared several electronic fax companies and MaxEmail appeared to offer the best price, while allowing me to choose a fax number within my area code. (Some companies only offer long-distance fax numbers forcing senders to incur long distance charges to a metropolitan area). Max-Email costs me \$59.95/year + long distance charges billed against my \$10 credit card balance at the rate of \$0.03/minute.

GoToMyPC enables access to my home office PC to grab a file to print locally wherever I am – or remotely work on a program installed on my home PC. Clients are always “wowed” when they see this. It costs me \$19.95/month.

ViceVersa Pro (ww.tgrmn.com) synchronizes my PC to my laptop as frequently as needed. The program is not fancy, but it works, and it was really cheap. It allows me to travel to meet clients – or go on vacation – carrying very light baggage regardless of changed plans or impromptu meetings. (I used to pack a banker’s box with all the files I anticipated needing on the road that day). This was a \$59.95 purchase.

Twin external hard drives (the first one was 189GB; I recently added a 250GB unit as the smaller unit began to overload) automatically back up data from my PC at 3:00 a.m. daily (except when I’m

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still working at my computer). The data is dropped into a daily file that recycles each week. External hard drives are easily removed in the event I need to grab them quickly in an emergency. This came in handy when three Florida hurricanes crossed over my home two years ago. (Now I also have a propane generator to run my whole office and other necessities within the house during power outages).

A Cruzer 1.0GB Microvault currently serves as my key fob. The useful applications are limited only by one's imagination. Recently I wanted to take many .jpg photos and some favorite scanned recipes to my family's house on my holiday visit. The photos and PDF files quickly download from my computer to my Microvault device by plugging the USB end into my PC's USB hub. At my family's house, I plugged it into their computer's USB port to download my photos and print out my recipes there. When I want to grab current data from a client's PC to take with me for later analysis, I plug my Cruzer Microvault into their PC for really fast backups. Plus, since it is attached to my keys, I always have it with me. Sure beats carrying CDs or a laptop with me all the time.

Last tax season, Bob -- my I.T. guru -- installed a VPN between my home PC and the outside CPA office with whom I contracted to prepare my clients' tax returns. Since I work on tax planning all year long with my clients as part of my total financial service package, I have already done the work that benefits most from my skills. By the time the data needs to be entered into a software program, it doesn't require my fingers to push it there.

I organized and scanned my clients' tax data along with copies of several prior-year returns, and color-coded notes to the offsite preparer detailing any quirky items requiring special handling or attention. I tried to "push" the data files across our VPN to deposit them onto the remote network drive, but the process produced unacceptable results, taking hours to send just one client file. Reluctantly, I copied files to CDs for personal or snail mail delivery. They prepared the tax returns and alerted me via email or IM when questions arose, or when a tax return was ready for my online review. Further, I was able to go online to check the status or make adjustments myself at any time. (This tracking function is built into the design of Intuit's LaCerte tax software).

After my final approval, they processed the returns for my delivery to clients. This somewhat clunky process screamed "unsophisticated, economy model," but since we were both local it was not a huge problem to pick up or drop off files between us.

Since then I have upgraded my previous home-version DSL service to the beefier business grade service to increase bandwidth and secure a static IP for Bob's installation of a sonic firewall. Bob set up Terminal Server between my home and the outside CPA firm's office. We are currently testing the system to determine whether files transfer more efficiently in this environment. I am the acting guinea pig while we sort out the bugs and glitches in the system so that the firm's tax department can confidently offer outsourced tax preparation services to other remote CPAs within our alliance.

The firm is one with which I've forged a long-term relationship, and I have complete confidence in their tax preparers' abilities, skills and privacy policies. Their money management division --

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“CPAlliance” -- already manages some of my clients’ assets, although I retain the direct client relationship. For those engagements where I directly manage my clients’ assets, CPAlliance provides the back-office accounting, billing and reporting at a lower-basis point fee arrangement. They utilize Advent Axys software for reporting and the Moxy trading platform (should I choose to delegate trade execution to them), which can accommodate any special account restrictions. I am happy to outsource those functions to avoid having to purchase, learn, and maintain that technology myself.

As a side point, I am intrigued by Dave’s recent assessment of the overseas outsourcing option for tax preparation – which I am certain would save me money. However, I haven’t been able to overcome privacy or security concerns in sending my clients’ most sensitive financial data overseas in its purist form ripe for identity theft. I’m not as concerned about the skill level or training of the tax preparers overseas as I am about their anonymity, and whether we share the same ethical standards for protecting my clients’ information from financial predators.

On the Other Hand...

it is ever more obvious that successful competition and performance in today’s business world requires ongoing analysis of ways to leverage one’s time and resources – especially in one-man operations.

I recently engaged the services of Total Office Inc. (<http://totaloffice.webexone.com>) for remote virtual assistance with non-sensitive, administrative tasks. Their private intranet site guides you through uploading files to their secure FTP site, assigning and monitoring tasks on their calendar, etc. They offer too many services to mention here, so you should check them out yourself. For those still resisting the outsourcing mentality, consider your future ability to provide the level of services your future client base will expect from you.

I already reach out to trusted colleagues with whom I’ve developed rapport within my professional network to collaborate on projects that would benefit from their specialty knowledge or expertise. I will continue pushing to the next level of “extreme biz” by outsourcing everything that doesn’t require my own critical thinking, analysis or personal touch. Think not “What can I outsource?” but, rather, “what really requires *me* to do it?”

In my four-year journey under my new business model, I have become an adamant promoter of radical change as well as a tech junkie. I am obsessive in my quest to find better, cheaper, easier and more efficient tools and techniques for working remotely or more efficiently. I’ve also been engaged by professional friends to help them do the same in their firm.

I’ve always believed that 90% of getting a job done is accomplished through sensible organization of the “files” (whether physical or virtual) -- naturally leading to thoughtful planning, strategizing, and considering of all relevant options for the client’s situation. When clients’ data, workpapers and relevant reference materials are organized for instant, simultaneous access, the ideas, strategies, and solutions simply seem to rise to the surface.

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Introducing a handful of basic tech tools and processes to my practice has radically enhanced my ability to maintain acceptable work hours and infuse higher quality into my projects. I also have freed up the time to develop several related business ideas I will be spinning off in the future, relying heavily on outsourced, redundant processes. Moreover, I have spare time to devote to family, friends, hobbies and life.

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