

# STARTING YOUR OWN FIRM

## Ditching paper for the digital office

By DINO MICACCHI

**W**hy do so many accounting firms continue to use so much paper? It's a fundamental question that needs to be asked, particularly when you consider that over 35 years ago it was predicted by a business publication that we would all soon be working in what was termed 'paperless offices.'

Namely, uncluttered work spaces where formerly print-based documents could be instantly called up on the screen of one's personal computer with the gentle press of a button.

So much for predictions.

Despite the many advantages associated with going paperless — such as lower storage and administration costs, decreased paper costs, increased productivity, better client servicing and easier information access — many accounting firms have yet to jump on the paperless bandwagon.

Of course there are some firms that have in fact forayed into the paperless world, but are not yet reaping the full benefits of it, because they have yet to take a few key steps.

And why not?

Let's start with those familiar culprits, the fear of the unknown and the costs associated with making the change. And let's also consider what could be the most plausible explanation of all: the possibility that many firms have absolutely no idea how to make the transition to a paperless environment — and that they perhaps require a roadmap to help them navigate to this destination.

So let's set one out. Here is how an accounting firm can go paperless.

Like everything else in the accounting world, the move to a paperless environment begins with planning. Many, including David Straughan, a partner at MacGillivray Chartered Accountants and Business Advisors, believe that you should spend "three times as much time planning the migration as it will take for you to implement it."

The biggest issue firms will face with going paperless will be resistance from the people in your organization who are accustomed to doing the things a certain way.

To overcome this obstacle, it's imperative to get buy-in from senior levels of management so that the desire to go paperless filters down. However, please be warned. Since firms may have to upgrade software and some hardware, top-tier management may require a lot of convincing.



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*Dino Micacchi, VanParys Micacchi Shippey & Warnick LLP*

One way to bring management inside is to conduct a pilot study. To get this off the ground, organize a dedicated team from all areas of the firm. Then, use this team to test various products, gather information and forecast the cost savings your company would experience by transitioning to a digitally-based environment.

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We conducted one such study at our firm, VanParys Micacchi Shippey & Warnick LLP. Two competing companies and a photocopier with the ability to scan were tested. Instead of punching, indexing, referencing and printing files for storage, they were scanned. The results were quite impressive. It turned out that going paperless would save the firm 1.8 fulltime position equivalents.

These numbers demonstrated that an investment in paperless technology would pay back in a year, which got those of us in senior management charged up to

make a change.

Once management has been sold on the idea, a firm's dedicated team will have to look at potential hardware and software suppliers.

According to Straughan, going with one company's software "allowed us to grab our stuff instantly from our desktops no matter where we were."

Once the software issue has been resolved, it is essential to perform the same due diligence when choosing peripherals such as high-speed scanners and dual monitors. One way to expand your knowledge is to attend trade shows and confer with your colleagues.

So now that you have all the hardware and software in place, what's next?

In a word, training. Without a doubt, the learning curve attached to going paperless can be steep. It will take time to develop naming conventions that are appropriate for your firm.

These conventions will ensure that everyone knows how to organize — and where to find — the electronic information. Additionally, you will need to develop workflows that will integrate with the software you are using.

That said, there is a proverbial silver lining. All this will force businesses to standardize processes and procedures to



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make things run smoother. Ultimately, this will make it easier for the firm to train new staff and will add some consistency to the way the business operates.

Still, in most cases, going paperless is an evolutionary

process that does not happen overnight. As Straughan attests, "You will need do a little bit of experimenting and will need to adapt the way you did things before into the way you are going to do them now."

And moving on to the final question: When is the best time to begin implementing a paperless environment?

It really depends on the nature of your firm. For firms starting out, it makes the most sense to go paperless right away in order to guarantee staff is operating in the most productive way they can. Of course, this only applies if your company has the resources to invest in the hardware and software that is required to pursue this avenue.

For established firms, a paperless environment should be implemented beginning with the previous year's tax returns rather than with year end-files — and to initiate implementation outside of tax season. This will reduce the strain on your company resources.

Moving to a paperless world may open up other opportunities. Our firm implemented a solution that allows management to see who is over- and under-utilized, and let us shift files electronically between offices to even out workflow. What's more, the combination of this workflow management software and paperless office solution enabled our staff to do everything they needed remotely, without having to drag those heavy audit bags with them. This comes in handy when members of our company's staff are unable to come to work because of circumstances such as their kids being sick.

Over 35 years ago, someone had it right. They foresaw the enormous benefits associated with going paperless and encouraged companies to hop aboard. Today, this route continues to look good, with excellent paperless hardware and software solutions available.

If firms are not paperless now, shouldn't they be in the near future?

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