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How Does Technology Impact Our Client Relationships?

by Rich Bingaman, CPA

It's not difficult for many of us to remember when Excel spreadsheets didn't exist, tax returns were a result of entering data on computer cards and every document received from a client was dropped off at our front desk by the client or the mail carrier. Fast forward 25-30 years to today and look around. We are now accessing client information including tax returns, financial statements and various documents on electronic devices that are the size of our wallets. We are also communicating in multiple ways with clients on those very same portable devices.

This article is not intended to provide an update on what's "hot" and tips on how to find the "latest and greatest." I'm not even going to drone on about how to keep our businesses on the "bleeding" edge of technology that is driving our fast-moving and ever-evolving society and profession. This commentary is only meant to evoke thought in our community as it relates to understanding how technology impacts the most important aspect of our business as a CPA in public accounting, the client relationship.

An integral part of owning and operating my public accounting practice has been constantly searching out innovative ways to operate my business in a way that improves operational efficiencies, profitability and services to my clients. In the last 25 years of my time in the public accounting profession, I have seen tremendous innovation in technology impacting our profession. Some of us have adopted these new technologies more readily than others and certainly after very careful consideration of the true benefit of leveraging new technologies in our businesses. One of the most important questions for each of us to answer is, "If I use this new technology in my business, how will it improve my relationship with my clients?" A better client relationship is, in fact, what allows us to provide more services to those clients, generate referrals from those clients, have a more profitable interaction with the clients and ultimately make the time we spend with those clients more enjoyable, right?

Take the birth of electronic documents as an example. As trusted advisors to our clients, a very important aspect of that relationship is the trust placed in us to safeguard their very private and sensitive information. Prior to electronic documents coming onto the scene, documents and information were delivered in paper format controlled by the client, a private

courier or the postmaster. These now antiquated forms of document delivery significantly reduced the opportunities for private and sensitive information to fall into the wrong hands. Today, due to the porous nature of the Internet and the numerous methods by which documents and information may be sent to us from clients (e.g. electronic fax services, email, text messages, web portals), we find ourselves strained as a profession to maintain sufficient control over this information. Sending an email to a client with an attachment of a tax return is so much easier than printing the tax return, placing it in an envelope, applying postage and dropping it in the mailbox or scheduling a courier. Sending that email can be fraught with many pitfalls.

What if you or your staff was in a hurry and the autocomplete feature of your email system provided a recipient that is not your client! Now what do you do? I'm sure you can imagine the many complications that can arise from such a "mishap." While we may gain improvements in efficiency in using new technology to interact with our clients, we still must ensure it is used properly to improve our client relationships, not destroy them.

Then there is the advent of tax preparation being more easily accessible to the masses with the click of a button over the internet. How does this translate into a better relationship with our clients? Some would say this commoditizes the tax compliance services of the CPA, harming the value of the client/CPA relationship. Others might say this brings better clients and relationship value to the CPA. This is driven by clients who perceive value in the ability of the CPA to apply the tax rules to the client's facts and circumstances to result in the most accurate returns that favor the client.

For those of us who strive each day to improve the relationships we have with clients, we are constantly seeking new and innovative ways to illustrate value to our clients. This innovation usually involves some form of technology and since each client values our services for

different reasons, the technology we select must be very flexible. We find that we can't have a homogenous approach in illustrating value to clients so it must be a customized approach very similar to providing advice to a client, specific to their circumstances and needs.

This brings us to the questions we must answer when contemplating the insertion of new technology into our businesses and client relationships. Will it make us more efficient and profitable in providing services to our clients? Will our clients embrace the new technology and way of doing business with us? Will our clients use the technology properly to fulfill our efficiency and operational expectations without creating undue frustration for the client?

As technology settles into our profession and the four-column ledger paper and 10-key calculator are eventually replaced for good, what will be the client's experience with us? Technology may come and go, death & taxes we know, but relationships last generations. What shall we do to plan and position our practices accordingly? Now that Nana and Papa have discovered FaceTime and Facebook, they are buying up iPads and iPhones, but why? To connect and deepen relationships? How does embracing a new technology make life easier to pursue passions and live life, for you and your clients?

The answers to these questions will vary from one CPA to the next, but the one constant in all of this discussion is that our profession will continue to be bombarded with new technology. While elderly clients may shun it, younger clients will demand it. Therefore it is extremely important for the CPA community to work together to embrace innovative ways of bringing the right technology to our profession that supports the reputation of the CPA as a trusted advisor and allows a deepening of those relationships that are most important to us. **AZ CPA**

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