

The answer's 'Workflow' - Now what's the question?

Workflow's good for business and it can even improve your sex life!

So... what's it all about then?

Well, if you talk to the various vendors of practice management systems, it really depends upon what they're selling. So, let's leave that to one side for now...

The start of Workflow is a process. This can be as simple and well-defined as the work required completing the annual audit, but let's extend the idea and look at setting up a new client instead.

A long, long time ago, when I was a trainee accountant, we regularly had trouble charging Time to new clients because they "hadn't been set up yet." As the paper files also hadn't been set up, the completed working papers were simply filed on the floor of the appropriate partner's office...

We don't do that anymore. ...Do we?

No we don't. We follow a defined process, to ensure everything's covered

New Client procedure

1. Set up correspondence and permanent file
2. Verify identity and permanent address
3. Enter basic information into the database
4. Chase for any missing information
5. Issue engagement letter(s)
6. Log signed return of engagement letter(s)
7. Issue 64-8 Agent Authority
8. Write to previous advisers if appropriate
9. Log return of the signed clearance
10. Appoint client service team
11. Write welcome letter from senior partner
12. And so on

And that's all before we start earning any money!

In order that the above process may succeed, each of the tasks has to be allocated to a person and given a deadline. Some parts of the process can't proceed without earlier tasks being completed. So, the workflow is a simple project plan.

Exception-reporting

A good workflow system will only alert you to processes which need your attention. If one of your managers is managing well and all the work's being processed according to plan, you don't need to worry or become involved at all.

You'll only be alerted when you're needed, allowing you the time to get on with the strategic management of the business.

The above example is a simple administrative tick-list, requiring little partner or manager input. As long as each task is completed on time, you don't need to become involved.

You'd never waste your time looking at a list of all clients where a 64-8 has been filed. So, should you only review those clients where it hasn't?

Well no. You'd still be wasting your time if you reviewed those clients who were set up in the last week, who still had no 64-8 filed.

So, how about an exception-report on the following basis:

List my clients, by manager, set up more than two months ago, where no 64-8 has been filed and the "64-8 not required flag" in the database is blank.

Where partners actually allow managers to manage portfolios, it's the managers who should receive the day-to-day exception-reports.

The partners then receive the really-serious exception-reports:

Manager's exception report

List my clients, by Tax Senior, where the personal tax liability has not been notified to the client and the accounts were finalised more than 5 weeks ago (...or still not notified by 30 November if later)

Partner's exception report

List my clients, by Manager, where the personal tax liability has not been notified to the client and the accounts were finalised more than 8 weeks ago (...or still not notified by 15 December if later)

Deadlines

Now, we all know that personal tax jobs have to be completed by 31 January and that all accounts jobs have to be completed within a fixed period, determined by the year-end date and size of company.

These are NOT the Workflow deadlines!

Let's concentrate on personal tax to illustrate the point...

Your Workflow system should reflect the real world, where you start chasing the clients during the previous summer. This means you can get some of the less-troublesome clients out of the way by the end of October, or even sooner.

So, you should plan the work, and book time-slots for the clients during the autumn. These slots should be agreed with the clients and your own team, so interruptions like holidays and study-leave may be included in the planning process.

Engagement terms

"That's a vast oversimplification!" (I hear you cry...)

While we're in the real world, let's work with the fact that, while half of our clients do as we ask, the other half either don't do it, or they don't do it when we ask them.

So, we need two types of engagement:

Engagement 1

- The client will deliver their complete books and records during the week commencing 20 October and be available to answer any email or telephone queries the following week
- The firm will produce draft accounts by 7 November
- The final accounts, tax liability and agreed fee for the work will be sent to the client by 21 November
- The client will pay the invoice by 21 December

Engagement 2

- The client will bring in their books sometime
- If the complete books and records are delivered before 15 October, the firm will produce draft accounts within 5 weeks
- If the complete books and records are delivered after 15 October, a timetable and rate for the work will be agreed at the time, in order to try to complete the work by 31 January
- The final accounts, tax liability and agreed fee for the work will be sent to the client when the work has been completed
- The client will pay the invoice within 30 days

The common theme in both engagements is that they're two-way. They're not just about your obligations to the client, but about the client's obligations to you.

In the first engagement, you know you'll receive the money in time for Christmas. With the second, you'll be putting those presents on the plastic and hoping the cash comes in before the credit card bill.

Resource planning

I remember when I was an audit junior. The managers allocated work by grabbing the first person they saw who showed any signs of life.

With Workflow, we can match the tasks with the correct team members in terms of qualifications, experience and availability. This significantly cuts the biggest budget-waster of all, where the wrong people are doing the work, because no-one else is available.

Some parts of the Workflow don't even need people as they can be completely automated. For example when the signed engagement letter is returned by the client and scanned into the system, the database can be updated with the appropriate flag with no further user-input at all.

So, now we've seen how Workflow's good for business, what about the sex?

Workflow allows you to make money from compliance work and perhaps even begin enjoying it

Workflow improves the entire client-relationship – even billing!

Workflow allows you to sleep at night, knowing you can satisfy your partners, your insurers and your regulators.

And if you aren't planning on going to sleep, at least you won't be worrying about Work.

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