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THE CPA TECHNOLOGY ADVISOR

December 1, 2009

The 2010 Readers' Choice Awards

By Isaac M. O'Bannon

From the December 2009 Issue

Major new tax provisions and the still limping economy had major influences on tax and accounting practices this year. This has led many firms to examine their workflow processes and client service delivery methods, with an eye out for ways to be more productive and to strengthen their practices. For most, this has included moving to paperless engagement systems. And for some, the idea of hosted programs for tax compliance, write-up and other services is looking more attractive, with the potential for lessened IT expenses and maintenance time, plus anywhere access. Meanwhile, the early adopters are going a few steps further and embracing cloud-based technologies.



At the same time, many client businesses have contended with shrinking revenues and tight credit availability, and are also looking for ways that they can be more efficient and fiscally strong in the current economic climate. Who do they turn to for advice? Quite often, it's their most trusted financial advisor: their accountant. While this may add to your workload, it's a valuable relationship, and one that strengthens not only your client's business, but your practice, as well.

Our annual Readers' Choice Awards continue to show a trend toward the adoption of workflow optimization systems and other technology tools that help firms and small businesses run leaner and more profitably. The awards are not a scientific study, but the voting results do offer an informal view into the professional lives of tax and accounting professionals, their technology and vendor preferences, and other insights. They are

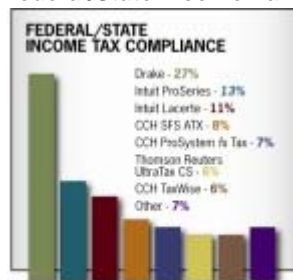
subjective in many instances, and the loyalty of some professionals to particular vendors definitely comes through in the results, but this is valuable information, as well, since it helps to spotlight those technology companies who are keeping their users excited about their products and vocally supportive, too.

Voting for the awards was open to all professionals through this website during October and early November. In addition to key technologies used in tax and accounting firms, such as tax compliance, write-up, research and payroll programs, the awards also go into the voter's preferences when it comes to client-side accounting and management software. While these are programs that their clients will use, most professionals have strong preferences as to which programs they'd recommend or prefer these clients run, whether driven by security concerns, collaboration functions or data integration capabilities. Voters were also asked about their use of client portals and their knowledge of web-based professional applications.

Thanks to all of the readers of *The CPA Technology Advisor* and *The NSA Technology Advisor* who took the time to vote in this year's Readers' Choice Awards. Here's wishing you happy holidays and a successful tax season.

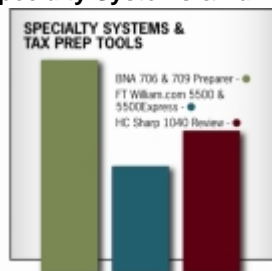
IN-FIRM TECHNOLOGIES

Federal/State Income Tax Compliance



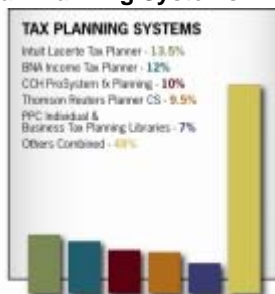
[http://www.cpata.com/images/2009_dec/rc/1_fedstate.jpg] **Insight:** Drake continues its winning streak by doubling the next nearest competitive product. While Drake's tax system actually accounts for showing is the result of very loyal users who love to evangelize the all-in-one tax prep system, which includes management, a website builder and marketing tools. Intuit's ProSeries and Lacerte tax packages (results favored tax systems geared toward smaller practices, which accounts for most practices in readership.

Specialty Systems & Tax Prep Tools



[http://www.cpata.com/images/2009_dec/rc/2_specialty.jpg] **Insight:** This category focuses on either fill a niche need that most professional tax programs lack, do specific tasks or filings more often used in conjunction with the professional tax system. Since these programs do not compete against general practices, voters were allowed to select more than one. While many voters didn't have a preference, demonstrating that there is still apparently a strong need for these specialty tools. If you would like to send us an email to editor@cpata.com to let us know what programs you use to enhance your tax

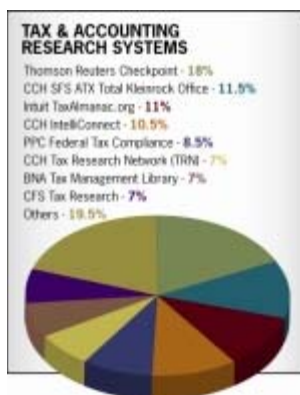
Tax Planning Systems



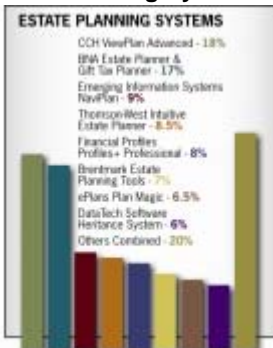
[http://www.cpata.com/images/2009_dec/rc/3t.jpg] **Insight:** With tax compliance still the major focus for mid-sized firms, tax planning seems like a great way to expand services and strengthen their client relationships. Professionals are realizing this more and more, too, resulting in increased use of a tax planning program. Among voters who chose one of the systems listed, Intuit's Lacerte tax planning system was the most popular option.

Tax & Accounting Research Systems

[http://www.cpata.com/images/2009_dec/rc/4_research.jpg] **Insight:** Once upon a time, tax research involved a library of books. Technology first dropped this down to a few computer disks, then almost everything went online. It makes sense, since the market is growing (and, at times, it's more affordable, and practitioners don't have to keep up with program updates or other tech issues. The intense competition among the main tax research vendors, Thomson Reuters, CCH and BNA, while Intuit's TaxAlmanac.org, a free tax research resource, has gained a large following, the abundance of subscription and even some reliable free options on the market, many firms use multiple sources for research (and are allowed to vote for more than one product in this category.

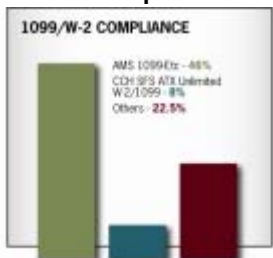


Estate Planning Systems



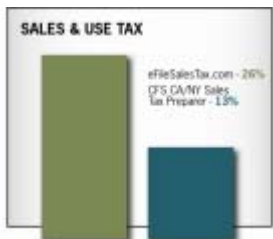
[\[http://www.cpdata.com/images/2009_dec/rc/5_estate.jpg\]](http://www.cpdata.com/images/2009_dec/rc/5_estate.jpg) **Insight:** Although this client service refer to legal firms, there is a natural tie-in between the various planning strategies involved with a voting reflects the general market, with only about 20% of professionals citing use of a specific est year and shows a continuing growth in the client service offering among accounting firms. The nur use of an estate planning system.

1099/W-2 Compliance



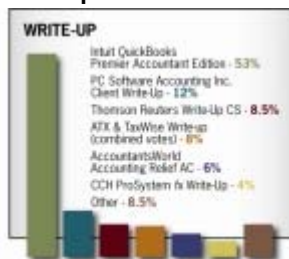
[\[http://www.cpdata.com/images/2009_dec/rc/6_1099.jpg\]](http://www.cpdata.com/images/2009_dec/rc/6_1099.jpg) **Insight:** The 1099/W-2 compliance ma payroll, which means the two processes exist in different accounting spheres, affecting different pr managing either client payroll or wage and information reporting as an after-the-fact service, this c after all, the federal-level compliance procedures are very similar and happen at the same time ea market, with professional users able to easily manage both processes simultaneously, and resultir developed programs for the combined functions. As with income tax compliance, the results of vot but rather a very loyal user base for Advanced Micro Solutions (AMS), who voted in large number: second. Among other notable vote receivers were CCH's Small Firm Services ATX, AccountantsV

Sales & Use Tax



[\[http://www.cpdata.com/images/2009_dec/rc/7salesuse.jpg\]](http://www.cpdata.com/images/2009_dec/rc/7salesuse.jpg) **Insight:** Is there a market for profes Well, that's a little more difficult. The answer is probably that there are 44 or more markets in the U local tax" (SALT), because there are 44 states with state-level sales tax requirements. Within the U better to say there are more than 8,000 markets for the software/service since that's about how m country. The result is only a handful of programs that offer total sales tax compliance across all jur states. The winner in this category this year is eFileSalesTax.com, an online service for filing and j provides compliance for California, New York and Florida.

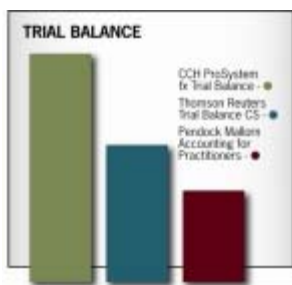
Write-Up



[\[http://www.cpdata.com/images/2009_dec/rc/8_writeup.jpg\]](http://www.cpdata.com/images/2009_dec/rc/8_writeup.jpg) **Insight:** Often a core service for acc with client bookkeeping applications can be a major factor in productivity. Accountants have contr because of the simple fact that it offers seamless integration with the data from their clients' versio and import into Intuit's tax preparation systems. PCSA's Client Write-Up system, Thomson Reute AC led the pack behind QuickBooks. When their votes are combined, the ATX and TaxWise write-well.

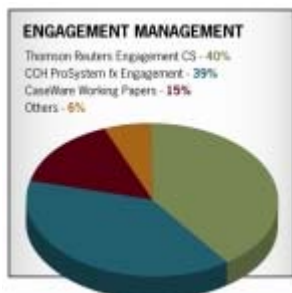
Trial Balance

[\[http://www.cpdata.com/images/2009_dec/rc/9_trialbalance.jpg\]](http://www.cpdata.com/images/2009_dec/rc/9_trialbalance.jpg) **Insight:** Providing a link between a business' financials and function, but one for which most accounting firms do not use a specialized program. Of our voters, only 29 percent used such a Balance CS package received the most votes.



Engagement Management

[http://www.cpata.com/images/2009_dec/rc/10_engagement.jpg] **Insight:** About 22% of firms r programs continue to grow in popularity, helping firms increase their productivity through optimizer Engagement CS system from Thomson Reuters edged past CCH's ProSystem fx Engagement in two and CaseWare's Working Papers.



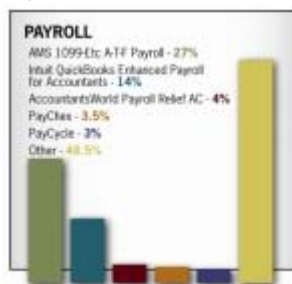
Audit/Engagement Tools

[http://www.cpata.com/images/2009_dec/rc/11_audit.jpg] **Insight:** While generally a service of for ways to streamline the intensive process. Capital Confirmation won the category this year for it Accounting Technology Innovation Award this past June. Smart e-Practice Aids from Thomson Re



Payroll

[http://www.cpata.com/images/2009_dec/rc/12_payroll.jpg] **Insight:** Our largest category by far with more than 40 vendors vying for the small business and professional accounting market. The / received very vocal voting support from its users, drawing more than a quarter of all votes cast. In in second, while the hosted Payroll Relief AC system from AccountantsWorld, PayChex and PayC accounted for about half of the market, with the rest spread across dozens of other payroll techn



Analytical/Forecasting/Budgeting

[http://www.cpata.com/images/2009_dec/rc/13_analytical.jpg] **Insight:** This category is for spe understand their clients' financials and to help them strategize future business activities based on growing field that is no longer dominated by a handful of companies, but is instead spread fairly ev



Business Valuation

[http://www.cpata.com/images/2009_dec/rc/14_valuation.jpg] **Insight:** The number of voters responding that they use a bus the PPC Business Valuation system from Thomson Reuters taking the largest share of votes. Products from NACVA and ValuS



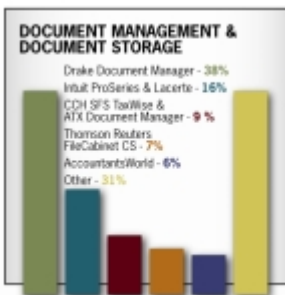
Practice Management/Time & Billing Systems

[\[http://www.cpdata.com/images/2009_dec/rc/15_practicemgmt.jpg\]](http://www.cpdata.com/images/2009_dec/rc/15_practicemgmt.jpg) **Insight:** Whether professional management and time-based billing systems can provide valuable insight into productivity. Unfortunately, the following stats are for those who did report use of a program.



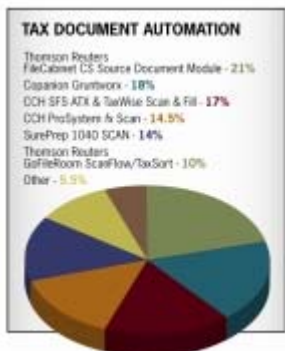
Document Management & Document Storage

[\[http://www.cpdata.com/images/2009_dec/rc/17_documentmgmt.jpg\]](http://www.cpdata.com/images/2009_dec/rc/17_documentmgmt.jpg) **Insight:** Document management, providing firms with tools for optimizing their workflow processes as engagement materials are cited use of a program, with the popular Drake Software system gaining the vast majority of votes is included in the vendor's tax compliance system.



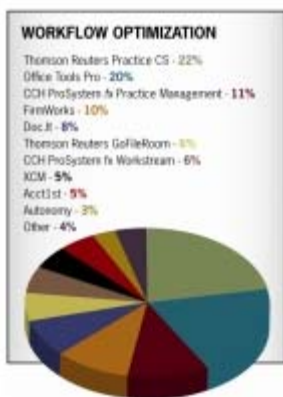
Tax Document Automation

[\[http://www.cpdata.com/images/2009_dec/rc/18_taxautomation.jpg\]](http://www.cpdata.com/images/2009_dec/rc/18_taxautomation.jpg) **Insight:** As a part of the movement to revolutionize the way tax data is acquired, allowing users to scan common forms and have line information in a system. The Source Document module in Thomson Reuters' FileCabinet CS solution has proven to be a SurePrep.



Workflow Optimization

[\[http://www.cpdata.com/images/2009_dec/rc/19_workflow.jpg\]](http://www.cpdata.com/images/2009_dec/rc/19_workflow.jpg) **Insight:** What is workflow? It varies in every practice, but the disruption, as professionals learn new electronic management methods for client engagements and business management pro



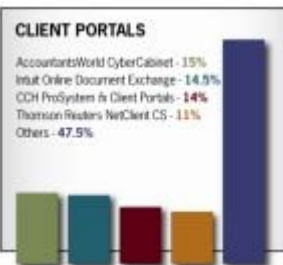
Website Builders for Accounting Firms

[http://www.cpdata.com/images/2009_dec/rc/20_websitebuilders.jpg] **Insight:** Tax and account Software's continued dominance in the website builders category. Once again, its very loyal users includes a basic website development tool and free hosting with its tax software suite.



Client Portals

[http://www.cpdata.com/images/2009_dec/rc/47_clientportals2.jpg] **Insight:** A new category in it and file sharing has grown incredibly in the last few years. AccountantsWorld's CyberCabinet syst Exchange just a tiny fraction behind. ProSystem fx Client Portals and NetClient CS followed.



CLIENT-SIDE ACCOUNTING SYSTEMS

Insight: Still the 800-pound gorilla, Intuit's QuickBooks and QuickBooks Enterprise systems are, by far, the dominant client-side and non-profits.

Over the past decade, accountants have increasingly adapted the professional version of the program, resulting in a snowball effect to their clients because of the integration benefits. Adding to the snowball is that, since the program is so widely used, there is a wide array of many training, implementation and educational options available for QuickBooks users, such as The Sleeter Group Consult

For small, mid-sized and construction-focused businesses, the primary challenger to QuickBooks continues to be Sage Software Accounting program is the second most popular.

Small Business Accounting



[http://www.cpdata.com/images/2009_dec/rc/21_smbaccounting.jpg]

Mid-Range Accounting



[http://www.cpdata.com/images/2009_dec/rc/22t.jpg]

Retail Accounting



Not-for-Profit



[http://www.cpdata.com/images/2009_dec/rc/24_retailaccounting.jpg][http://www.cpdata.com/images/2009_dec/rc/25_nfp.jpg]
QuickBooks Paperless



[http://www.cpdata.com/images/2009_dec/rc/26_paperless.jpg]**Insight:** As professionals go pa business clients, most of whom use QuickBooks. New innovations have been coming to market th with the professional, while also aiding the small businesses.

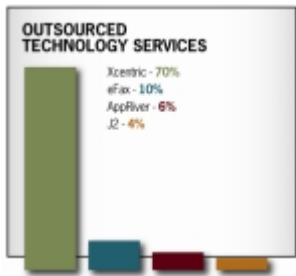
Fixed Asset Management



[http://www.cpdata.com/images/2009_dec/rc/27_asset.jpg]**Insight:** The Fixed Asset Manager s continues as this year's most popular asset management program. Systems from Thomson Reute has two offerings that are drawing significant votes.

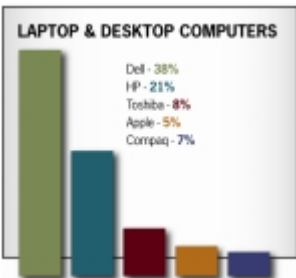
GENERAL BUSINESS TECHNOLOGIES

Outsourced Technology Services



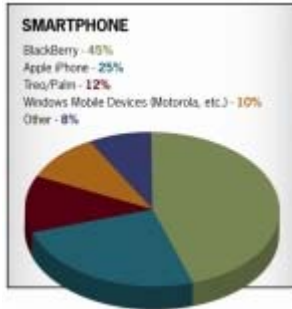
[http://www.cpdata.com/images/2009_dec/rc/28_outsource.jpg]**Insight:** Outsourcing doesn't ha usually just means using a respected third party for tasks that aren't your firm's specialty but that tl accountants have referred clients to lawyers and other professionals for some services for many y their everyday and tax season in-house processes, they can better use their time on more profitab

Laptop & Desktop Computers



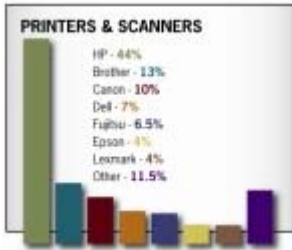
[http://www.cpdata.com/images/2009_dec/rc/29_laptopdesktop.jpg]**Insight:** With the move to more and mor professional space is starting to rise a little, and the trend may continue. But most users are still o tally as they did in previous years.

Smart Phone



[http://www.cpata.com/images/2009_dec/rc/30_smartphone.jpg] Many professionals can't live without access to email, work data, GPS, and entertainment functions, they've become almost mission critical over the past two years, but it hasn't unseated the BlackBerry, at least not with our voters:

Printers & Scanners



[http://www.cpata.com/images/2009_dec/rc/31_printers.jpg] With the continuing paperless movement, a critical part of firm productivity, providing the starting point for many activities, including document systems.

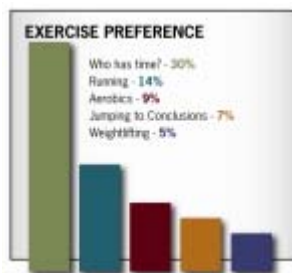
Office Supply Store



[http://www.cpata.com/images/2009_dec/rc/32_officestore.jpg] Where do you buy your office supplies when it comes to paper, toner, binders and other day-to-day office gear, most professionals still us

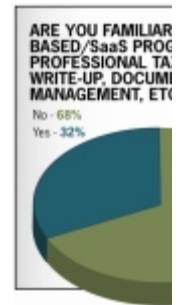
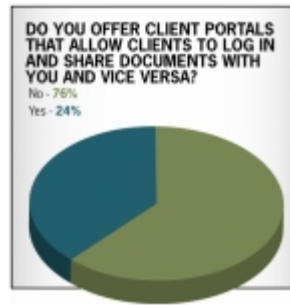
OUT-OF-OFFICE

Favorite Form of Physical Exercise



[http://www.cpata.com/images/2009_dec/rc/33_outoffice.jpg] Apparently tax and accounting voters in our awards do. The number one response in this year's voting was, "Who has time?" We like to work up a sweat, voters chose jogging/running first, followed closely by other aerobics exer

NEW TECHNOLOGIES FOR PROFESSIONAL FIRMS



[http://www.cpdata.com/images/2009_dec/rc/44_clientportals.jpg][http://www.cpdata.com/images/2009_dec/rc/44_saaS.jpg]

New technologies continue to shape the tax and accounting professions, from client service functions to internal management processes. The Readers' Choice Awards gives us a snapshot of what technologies and vendors these professionals are embracing and welcoming into their firms.

Thanks again to all who participated in this year's voting. If you know of a technology or vendor that was not included in one of the categories, please let us know so that we can include them in next year's awards process.

Here's wishing you a prosperous 2010!

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