

IMPLEMENTING A FIRM-WIDE PORTAL SOLUTION

Adoption of client portal technology by tax and accounting firms has been steadily increasing for several years now. Portals can be a powerful competitive differentiator, offering a sophisticated way to interact with clients and solve problems for accounting firms that adopt them early on. And they continue to evolve from a feature extended to a few select clients into a core workflow and client service necessity for more and more firms.

This white paper will walk you through the fundamentals about portals, including how they work, their basic benefits, and some effective strategies for introducing them to your staff and your clients. If you'd like more detailed information, feel free to contact us at **800.968.8900** or **CS.Sales@ThomsonReuters.com**.

HOW DOES PORTAL TECHNOLOGY WORK?

Client portals create an instant, secure online channel of communication between you and your clients. Each client has a private portal that they log into via your website. You can post documents such as tax returns, supporting documents, and files in progress to each client's portal. Your clients can then access these documents 24/7, with no need to contact you. Clients can also post source documents and other files in progress, which you can then access at your convenience.

Portal solutions are delivered through a hosted model. This means that the actual hardware that houses the web interface and client data is located off-site, in a dedicated data center that your firm and your clients access through the Internet.

This eliminates any required investment in technology infrastructure by your firm. It also allows your firm to store data in state-of-the-art data centers that deliver a level of security, business continuance assurance, and redundancy well beyond the local means of most tax and accounting firms. All while driving down your firm's maintenance and other technology costs.

Backend Technology Infrastructure

Portal Hosting Data Center—Hosting facilities are specific locations that store and host your portal applications and data. Data centers offer an array of both physical and application-level security and redundancy to protect your data. They generally include:

- o Arrays of hardware servers that drive portal applications and databases. These arrays are made up of many servers, arranged in such a way that if one fails, another can immediately and seamlessly take its place.
- o Redundant power supplies to ensure power during outages or surges.
- o Redundant Internet sources to ensure uninterrupted connectivity in the event of Internet provider outages or degradation.
- o Immediate replication of data to other data center locations, which protect applications and data in the rare event of a data center disruption.

Encryption technology—Encryption technology prevents piracy of data as it travels between your firm, data centers, and your clients. Portals generally use 128-bit encryption, the industry standard, to protect data.

How clients access their portals—Generally, clients access their portals through a link on your firm's website. This link takes them to a login page where they enter their user name and password. The rest is handled by the portal hosting provider.

With few exceptions, your clients will experience the portal as a seamless extension of your website. This means that your firm gets the credit for delivering a sophisticated, personalized portal experience. Portals also generate additional traffic to your website, making it a more powerful marketing tool and offering the opportunity to build better, more productive client relationships.

Client Technology Requirements

- A web browser (Internet Explorer or Firefox).
- A broadband Internet connection (cable, DSL, or T1 preferred).
All other hardware and software is purchased and maintained by the portal hosting provider.

YOU BELIEVE IN PORTALS...BUT HOW DO YOU LAUNCH THEM?

Introducing your staff to portals

The simple truth is, implementing client portals will make life much easier for your staff. But it's important to have an implementation plan in mind. Here are some tips that can help you create a good one.

- Designate a portal champion at your firm. This person will be in charge of making sure the implementation goes smoothly. This will help position the introduction of portals as a collaborative effort rather than a top-down mandate. And your portal champion is likely to have some good ideas about how to make the implementation go more smoothly and how client portals can become a part of the core paperless workflow of the firm.
- Make sure your staff is aware of the benefits of portals. Even if the benefits of portals are obvious to you, they may not be as obvious to your staff. So hold meetings and utilize other communication channels to make sure your staff knows how portals will make their jobs easier and more rewarding.

Introducing your clients to portals

Rolling out portals to your clients takes some coordination and planning. Here are some steps to consider:

Step 1: Start with basic portal capabilities.

At this stage, it's usually best to focus on basic portal capabilities. Goals for basic capabilities should be simple, tangible, and produce noticeable benefits quickly. It's also a good idea to come up with some incentives (like adjusting fee structures) that will entice your clients to come on board in your move to portals.

Some examples of basic portal capabilities include:

BASIC PORTAL CAPABILITY	BENEFIT TO YOUR FIRM	BENEFIT TO YOUR CLIENTS
<ul style="list-style-type: none"> • Securely post finished tax returns online 	<ul style="list-style-type: none"> • Reduced printing and mailing costs • Lower administrative costs • More time to prepare returns • Secure storage of final returns • Alignment with firm-wide paperless strategy 	<ul style="list-style-type: none"> • Faster delivery of completed returns • Improved privacy and security • Greater convenience of 24/7/365 availability
<ul style="list-style-type: none"> • Securely post client source documents online 	<ul style="list-style-type: none"> • Reduced printing and mailing costs • Reduced administrative costs 	<ul style="list-style-type: none"> • Improved privacy and security • Greater convenience • Digital copies of printed source documents add value compared to paper documents
<ul style="list-style-type: none"> • Add online billing and payment capabilities 	<ul style="list-style-type: none"> • Reduced administrative costs • Improved collections • Streamlined accounts receivable 	<ul style="list-style-type: none"> • Greater convenience
<ul style="list-style-type: none"> • Enable clients to enter financial data remotely through an electronic tax organizer 	<ul style="list-style-type: none"> • The ability to capture data keyed in by clients for use in the tax preparation system 	<ul style="list-style-type: none"> • Greater convenience • Improved privacy and security • Improved response time
<ul style="list-style-type: none"> • Increase traffic to firm's website 	<ul style="list-style-type: none"> • Better relationships with clients • More tech-savvy image • Additional revenue from improved promotion of value-added services 	<ul style="list-style-type: none"> • Improved client understanding of firm service offerings • Better relationship with firm
<ul style="list-style-type: none"> • Exchange files in progress with clients 	<ul style="list-style-type: none"> • More secure transfer of client data • Faster transfer time 	<ul style="list-style-type: none"> • Improved privacy and security • Improved response time

Step 2: Identify advanced value-added opportunities that could be delivered via client portals.

Defining more advanced value-added opportunities can hold the greatest promise for improving the client relationship and expanding your business. Examples of advanced value-added opportunities include:

ADVANCED VALUE-ADDED OPPORTUNITIES	BENEFIT TO YOUR FIRM	BENEFIT TO YOUR CLIENTS
<ul style="list-style-type: none"> • Introduce payroll services, including payroll data entry and check printing 	<ul style="list-style-type: none"> • Additional ongoing, steady revenue stream • High margins • A broader range of clients 	<ul style="list-style-type: none"> • One trusted partner for tax, payroll administration, and payroll compliance services • Efficient and convenient transfer of payroll data and check printing • Improved privacy and security of employee data
<ul style="list-style-type: none"> • Offer hosted client accounting software 	<ul style="list-style-type: none"> • Enhanced image as a trusted provider of web-hosted software applications to clients • Increased control over client accounting system • Additional revenue source • Convenient transfer of accounting transactions • Less time spent correcting client errors 	<ul style="list-style-type: none"> • Advanced bookkeeping services from a trusted source • Increased efficiency through consolidation of financial services with one vendor
<ul style="list-style-type: none"> • Become a financial destination site for clients by providing content such as stock quotes, financial news, and account aggregation services 	<ul style="list-style-type: none"> • Improved prestige in the profession • More productive relationships with existing clients • More new clients • More sophisticated client base • Lower rate of attrition 	<ul style="list-style-type: none"> • One trusted source for financial resources
<ul style="list-style-type: none"> • Offer hosted applications such as document management and office productivity software (Microsoft® Word, Excel®, Outlook®, PowerPoint®) 	<ul style="list-style-type: none"> • Greater prestige in the profession • More productive relationships with existing clients • More new clients • More sophisticated client base • Lower rate of attrition 	<ul style="list-style-type: none"> • One trusted source for financial resources and business applications

Step 3: Consider your clients' needs.

Most firms have a mix of business and individual clients that demand different types of services. And every accounting firm has clients with varying levels of technical expertise. If you're like many firms, you have some clients who are already pushing you to implement portals, others who will see the benefit of an online solution once it is implemented, and still others who are less ready to work with you online.

It's useful to consider in advance which clients are likely to fit into which categories, and to make a list. This will help you determine the right time to invite specific clients to your portal offering and the specific portal capabilities that are likely to benefit the greatest number of clients.

CONGRATULATIONS: YOU HAVE A PLAN TO LAUNCH PORTALS SUCCESSFULLY. NOW WHAT?

You have just completed what, for many firms, is the most difficult part of moving to client portals. Now is a good time to build on that momentum by beginning to put this plan into action. Start by focusing on your basic portal capabilities and assigning the time and resources to accomplish those tasks. At this point, it can be helpful to set up a timeline to keep you focused and on track. Here is a sample timeframe:

Week 1: Acquire portal capabilities (software, hardware, hosting, and training services) from your vendor and test them by configuring test accounts that your staff can access. Seeing portals in action and engaging in the exact client experience will go a long way toward establishing a firm-wide comfort level with portals.

Week 2: Begin internal staff preparations (i.e. demos, training, procedures, responsibilities) for your portal solution.

Week 3: Focus on your client communications and start engaging your clients to inform them of your exciting news. Thomson Reuters has some helpful templates to assist with these communications.

Week 4: Run some tests with a few of your clients to understand the how the interaction will work. Feel free to make adjustments when needed. **Note:** Choose test clients that are flexible, easy to work with and will give you the most constructive feedback.

Week 5 and beyond: Follow vendor's recommended plan for implementation and training.

PORTAL EXECUTION QUESTIONS AND ANSWERS

Some of my clients are not technically savvy. They're used to older ways of doing business and have little interest in changing. What can I do to bring them on board?

As with any change, you are likely to encounter a certain amount of resistance when moving to portal technology. Some of your clients may resist because they are afraid that they won't be able to use the new technology.

It may help to explain to clients that their new client portal may look more familiar to them than they think. This is because portal interfaces are very similar to widely used technologies like web browsers, online banking, shopping, travel, and email. If they've experienced any of those technologies, they're probably already familiar with basic client portal functionality.

Once clients get over this initial hesitation, you might be surprised at how quickly they adapt to portals. People naturally look for easier ways to work and interact, and portals represent one of the biggest improvements in the way we interact and collaborate since email.

Almost all firms have a few clients that refuse to use portals. But that shouldn't prevent you from extending the convenience of portal technology to the majority of your clients. Here are a few tips to help you bring them on board:

- Draft a letter or email that highlights the benefits of client portals. Carefully explain all the benefits they will gain from using them. Explain to them that if they've engaged in online shopping, banking, or travel, they already know how to use the basic functionality of client portals. Also tell them that their portal is already set up with a copy of last year's tax return, already posted and available to them 24/7.
- Make sure you take the time to train clients on the portal and show them how easy it can be to do business online. This can be as simple as having the staff members who field client requests for copies of tax returns or other documents simply walk clients through the steps required to access these documents through the portal. Eliminating or dramatically reducing the option of delivering documents to clients via fax, mail, courier service, etc. will also help drive portal adoption.
- If you've promised clients certain benefits related to portals, make sure you deliver on those promises.
- Make portals your primary way of interacting with clients, and make traditional means (mail, fax, meetings) a lower priority. This will increase the benefits to portal users and prevent the clients who resist portals from slowing down your firm's workflow.
- Promotions such as monthly drawings for portal usage can be a way to increase participation for clients who resist. But these kinds of tools should be used carefully. You want to keep the focus on the benefits of the portals themselves and make sure clients don't start to expect additional incentives for using them.
- Negative reinforcements such as additional fees for clients who continue to use paper are a possibility, and will probably become more common as portals become an even more widely accepted way of doing business.
- Position client portals as a "green" strategy by highlighting the savings in paper and other resources.
- Invite client feedback.

My clients and I are both concerned about the security of client portals.

We tend not to question the security of traditional communication formats like mail and fax, simply because they have been around for so long. But in fact, portal technology is much more secure. Unlike traditional communication methods, portals use password protection to ensure that data can only be viewed by the appropriate client.

Portal technology is also much more secure than email. Portals use 128-bit encryption, the industry standard, to prevent piracy of data as it travels between data centers, your firm, and your clients. Email is not encrypted, and many state laws now prohibit transfer of sensitive client data via email, with significant penalties for those who violate the law.

Portal solutions also tend to be more resistant to data loss caused by building problems, natural disasters, and other unexpected phenomena. This is because they are usually housed in off-site data centers designed specifically with these things in mind. They provide for many levels of physical and application level security and redundancy of data, power supplies, and fail-over servers. These security measures are maintained and overseen by experienced data management specialists, and are generally much more sophisticated and safe than storing data on-site.

There are also actions that you can take to make your portals more secure, and to help clients feel confident about the safety of their data. These include establishing password expiration policies within your office and making sure clients are aware of them.

What kinds of technical equipment and knowledge are required to offer portals?

Most portal solutions are provided as turnkey hosted services. And generally, hosted services require less technical equipment and know-how than the systems they replace. There is no software to update and no server or storage hardware to update or maintain. So in general, switching to a portal solution will require less IT knowledge and equipment, not more. For more information on the technology behind client portals, refer to the “How Does Portal Technology Work?” section earlier in this document.

I don't have a firm website. Can I offer portal technology to my clients?

Yes. Although the most common and effective implementation is to link to your client portal from your firm's website, portal vendors typically have links to a portal login page that can be accessed or bookmarked from any standard Internet browser or included in email communications.

A firm website will allow you to get much more value from your client portals over the long term. Consider the opportunities you may have documented in your long term strategy to drive other value-added services with your clients. Firm websites enhance this opportunity for success.

Will management of my portals require additional time and resources?

On the contrary, portal technology is one of the biggest time and resource savers you can implement at your firm. But, as with any change, setup and implementation will require some time and resources, so you should plan accordingly. As mentioned previously, a key step in implementing portals is to win staff buy-in allowing for a firm-wide portal implementation strategy that is entrenched in your firm's paperless workflow. Even before communicating with your clients on portals, the staff needs to be on board and the workflow incorporating portals solidly in place.

What's the most effective way to launch a portal solution?

It's often a good idea to launch your portal solution in waves. You'll want to make sure your first wave of clients is big enough to give you an idea of what a typical implementation looks like. We generally suggest that you include at least 20% of your clients for your first wave. Also, keep in mind that your portal strategy will likely grow to 90-100% of your clients, so make sure you take advantage of volume discounts on portal licenses and don't limit yourself to your first wave.

READY TO GET STARTED?

Implementing client portal technology isn't something that happens overnight. But once it's in place and integrated into your workflow, we think you'll find that it's one of the most beneficial and cost-effective improvements you can make at your firm. The benefits of client portals extend to both clients and the firm. If you do run into any unexpected issues along the way, we're happy to help—after all, we've been helping tax and accounting professionals implement client portal solutions since 2001.

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