




SmartVault



# How to Simplify Your Accounting Workflow and Increase Success with a Document Management System

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*Selecting the right document management system is arguably one of the most important decisions you'll make for the viability of your business operations. It's nothing flashy but it's the foundation that accelerates your productivity and growth.*

# Foreword: Why Every Practice Benefits from a DMS

Every day, dozens of documents flow in and out of your business. The system that stores and manages these documents is critical to your operational efficiency.

A document management system (DMS)—also known as document management software—allows accountants to quickly and securely store, organize, access, and share documents. Your DMS can be as simple as file cabinets or portable hard drives. Or it can be more sophisticated like centralized local servers or cloud-based software.

## The most powerful DMS have these features:



### **DOCUMENT STORAGE**

Capture, organize, and securely store documents or files with ease of accessibility



### **ENCRYPTED FILES**

Trust that all your most sensitive files are safe and secure thanks to 256-bit encryption technology



### **24/7 ACCESS**

Access documents and files anytime, anywhere with cloud-based technology



### **INDUSTRY COMPLIANT**

Stay compliant with industry regulations such as FINRA

**Learn More Online**



## DMS Approaches

There are three primary approaches to having a DMS.

- 1 **On-Premise Document Management Systems** are hosted by a physical device or a piece of equipment that you own, like a USB, portable hard drives, personal computers, and even file cabinets.
- 2 **Cloud-Based Management Systems** are accessible over the Internet via a web browser or mobile app. A third party is responsible for maintaining the physical storage facilities and ensuring the safety and security of the data. As a user, you just upload your documents and files to the cloud, and the software provider takes care of the rest.
- 3 **Mix of On-Premise and Cloud Document Management Systems** are when companies use a mix of both on-premise and cloud-based solutions to manage and share documents. You might have a local server, individual computers, and file cabinets to store your operational documents, but you might also use an online platform such as DropBox to manage and share files with colleagues and clients.

All document management systems fulfil basic needs of document storage and organization. But when it comes to how they support your business needs, not all systems are created equal. A strong DMS keeps your team and clients in sync, supports productivity, increases profitability, and empowers you to grow your business.

In this whitepaper, we explore what your DMS should help you accomplish, as well as how you can ensure you're choosing the right system for your business.

## Not all DMS Options Are Created Equal

"Most of what's out there is not made to withstand or support all that the typical tax preparation process requires," Certified Public Accountant & Certified Fraud Examiner Dawn W. Brolin, CPA, CFE, says.

These processes include customizable tax-specific workflows, bank-level security, e-signature capabilities, and integration with other practice management and tax solutions. "This is why the selection of a DMS that is built for your firm is critically important," she says.

Read how Dawn uses a DMS for her accounting firm in this free eBook, *The Designated Motivator for Accounting Professionals: Practice Playbook*.

**Get Your Free eBook** ►

# 1. Create or Improve Your Cloud-Based Workflow

Do you find yourself always hitting roadblocks? Or sending the same document to your clients or employees over and over again? It's frustrating—not only for you and your employees but also for your clients.

## Automating Routine Tasks

A DMS can simplify your everyday workflow, giving you more time to focus on truly value-adding activities. One way it does this is by automating routine tasks. Just this alone can save your business hundreds of hours of work.

For example, instead of using emails to exchange documents, your DMS should offer [secure file sharing capabilities through a private client portal](#) (we'll talk more about this in Chapter 2). This removes the manual steps of including attachments, writing an email, and sending it. Plus, the client portal is much more secure than emails.

Additionally, many cloud platforms offer added features such as customizable folder templates, eSignature integration, and core workflow software integrations that connect your essential business tech stack with each other.

## Creating Repeatable Workflows

Your DMS should let you configure automatic notifications, create templates, and establish a centralized location for your information and important documents to live.

Imagine sending a form for signature with one click, receiving a notification once it's been signed, and having the executed document automatically saved in the correct folder in your DMS. It would save you and your business a lot of time. It also reduces manual, error-prone processes, like when someone accidentally saves a document in the wrong client folder (well, where did that file go?).



*Admin tasks such as setting up folder structures for a new client or engagement, requesting client-prepared documents, sharing files online, or getting signatures on contracts or release forms should only take a few clicks and minutes to complete.*

## Choose a DMS that's Built for Accountants' Unique Needs

A strong document management workflow keeps your team and clients in sync, supports productivity, increases profitability, and empowers you to grow your business.

You'll need a solution that is working for you and that is aligned with your workflow. Your workflow, after all, includes several key components that interact with your DMS.

Learn how to create a strong, streamlined workflow that can empower you to grow your accounting business in our free eBook, *Strengthen Your Core: How to Build Your Lean, Mean Workflow Machine*.

**Get Your Free eBook ▶**

### Making Data and Documents Accessible

"There's nothing more annoying than when you're doing your job and you keep getting roadblocks," Sarah Jones, Owner of MoneyPad, [said on "Practice Priorities for Accountants."](#)

It can be incredibly challenging to track all the moving documents and tasks that still need attention. And employees end up wasting valuable time chasing down updates from their managers, teammates, and clients.

***"Have you reviewed this?"***

***"Where did you save the document?"***

***"I never received the fax. You'll need to send it again."***

*Do these questions sound familiar?*


MoneyPad implemented a DMS that, Sarah says, helps their staff "take more ownership of their jobs" since they know where to find everything they need—without having to ask anyone else for status updates or assistance.



## 2. Create a Collaborative Client Experience

“I never received that document. Can you just resend it?” — How many times have you received a client request like that, even though you *know* you sent the document via email a few days ago? Perhaps it’s in their spam or maybe they just overlooked it. Regardless, it would be a lot easier—and faster—if clients could access everything they need on-demand without asking for your assistance.

A client portal is a secure, private, and authenticated online platform that empowers businesses to better collaborate with clients. Using a secure client portal allows your customers to access their documents whenever they need to and from wherever they are. This frees up time for you that might have otherwise been spent sending (or resending) documents to customers. A client portal will typically sit on the company website, with a link for clients to log in with a username and password.



*Your business thrives when your clients are happy. The client portal should make it easy for you and your clients to securely share files and collaborate online.*

### Saving Time with Onboarding

Giving clients another way to access information takes some of the burdens from you. If, for example, you have general documents for your business, instructions on how to complete a specific form, or information on legislation they may need to use, then clients can access it all via the portal and not have to rely on you emailing them the information.

### Keeping Clients Happy

Your customers want to access the information they need at a time that suits them. You will find you have happier customers when they are able to find and share information outside of normal working hours. Also, if your client portal integrates with eSign technology, such as DocuSign, it means they can sign important documents directly in the portal. This eliminates the need to print, sign, copy and send (or post!) a signed document. The time and hassle saved by not having to go through those steps will be much appreciated and will associate positively to your business.

## Securely Sharing Files

While emails are OK for sharing generic, non-critical documents, you should avoid sharing documents that contain sensitive information such as social security numbers, bank accounts, or W-2s. And like we discussed before, emails can get lost or easily overlooked.

With a password-protected client portal, you can add your clients as guest users and give them access to a shared folder that has all the documents they need. Instead of attaching critical information in emails, you can simply invite authorized recipients directly to access documents from a secure portal, [eliminating risks of hacking](#) in the process.

## Requesting Documents from Clients

No one likes to waste time requesting the same thing over and over again. The right DMS can streamline how you request and track documents from clients.

It should empower you to request specific documents and/or a standard group of documents from multiple clients at once. Built-in templates can ensure you don't spend time manually asking for documents again. The most powerful solutions can also send notifications to clients, gently reminding them to complete the action item. The system should also automatically notify you when documents are received and downloaded.

## 7 Ways a Client Portal Saves Time and Increases Success

- 1 **Never lose an email or file.** A client portal allows both you and your clients to send, receive, and access documents from one, easy-to-view location.
- 2 **Access files anytime, anywhere.** Don't lose valuable time because a file exists only on one machine that might be temporarily inaccessible, or worse, destroyed.
- 3 **Sign documents instantly.** No longer do you need to spend hours or even days printing, scanning, or mailing documents. Built-in tracking lets you see who has opened or signed a document.
- 4 **Backup files with version history.** Document version history provides a backup of your files in case of deletion or errors in recent versions.
- 5 **Organize files automatically.** Documents are filed automatically to the correct folder.
- 6 **Batch communications.** Save time by automating the distribution of routine documents to clients. Send documents to 5, 50, or 500 clients with a single click.
- 7 **Automate notifications.** You and your clients know right away when a file is uploaded, downloaded, or signed thanks to automatic notifications.



### 3. Keep Your (and Your Clients') Data Secure

Accountants and their staff face very real security risks, and they play a significant role in protecting sensitive information.

Large corporations with significant security systems are harder to attack, so it makes smaller businesses the next target. These smaller businesses are [usually less aware of cybersecurity risks](#) and are easier to breach.

#### Understanding the Risks

Review the flow of information you receive about and from your clients all the way through to when you are finished with the information and are ready to store it. Document as much as possible about how it is cared for and accessed. Consider things like where your data is stored. Is it online, off-line, locally, or in the cloud?

Identify all potential points of failure in your workflow, systems, or personnel. For example, if your business stores all vital information in only one place, what would happen if that access failed or was destroyed? Let's say you have everything saved on an encrypted hard drive, but suddenly that computer is infected with ransomware—everything was lost. Could you recover the data from another secure, cloud-based backup? What happens if you can't?

This also applies to people. Perhaps your bookkeeper is the only one who knows vital or sensitive information about a client. If that person leaves your company, how would you recover those details—or would that information just be lost?

#### Pay Attention to the Methods You're Using to Handle Sensitive Information

Imagine sending an email to all of your clients with a subject line like this—"Attention, We Got Hacked!"—sounds dreadful, doesn't it?

To safeguard your practice from attacks, think through the entire journey information follows in the course of your accounting services. This includes:

- Tools used (hardware and software)
- Operations (team, both in-house and virtual)
- Policies (or lack thereof)
- How clients, staff, and vendors handle sensitive information and documents

Once you document how you're currently working, you can see areas of improvement. Learn more in our free eBook, *Cybersecurity for Accountants: 3 Ways to Protect Yourself and Your Clients Online*.


**Get Your Free eBook** ▶

## Implementing Protective Measures

Accounting practices will continue to face stronger security and compliance scrutiny by clients and regulators in the future. A DMS that's built with security and compliance in mind will offer the following measures:

- 1 **Encryption of data during transit and while at rest.** When sensitive data is at rest or being exchanged over the internet, it's crucial that your data is encrypted every step of the way so no one can hijack your information and use it for malicious purposes. By using advanced encryption methods such as SSL and AES-256, a cloud DMS could [provide stronger protection for your data](#).
- 2 **Controlled access to information.** How your information is stored and who has access to your information is critical to your overall security and compliance framework. With a security and compliance-first cloud-based DMS, you can easily set granular access permissions to folders and documents, and allow access to files via only authenticated logins. These added security and compliance steps help enhance your data and document security measures, which could increase your level of compliance to regulations.

- 3 **Secure data backup.** Your documents and metadata are always stored using highly redundant replicated storage. Multiple copies of metadata and documents are stored in multiple geographical locations and backed up regularly to ensure data availability.
- 4 **An activity log.** An activity log is an automatically generated, time-stamped trail of all activities that happened in your document management system. It tracks all events from all users such as document creation, download, and deletion and generates an audit trail of what's happening in your account. No person, including the engineers of the platform can make any changes to this trail, making it the authoritative record for auditing purposes. This feature is a requirement from several industry-specific compliance regulations. Depending on your industry, it could very well be the single most important determining factor during your cloud DMS vendor selection process.




*Staying on top of your cybersecurity doesn't have to take an arm and a leg. With the right DMS, you can rest assured that your most valuable information is safeguarded by the strongest security measures.*

## 4. Choose the Right System for Your Business

Selecting the right document management system is arguably one of the most important decisions you'll make for the viability of your business operations. It's nothing flashy but it's the foundation that accelerates your productivity and growth. When choosing the right document management system for your business, you should consider the following.

### Reviewing Existing Methods

Before you immediately start researching new options, you should take inventory of what your existing document management methods are first. Look around your office and take note of the devices and equipment you use to store and manage documents. What are some daily tasks your team accomplishes? What are the roadblocks they typically hit? Considering these things will help you get a clear picture of where the state of your document management is today, so you have a good base to work on the next steps of evaluating where you need to be.



*Does the thought of going through a system migration or implementing something new so daunting that you just default back to what you already have? Don't let fear of change keep you from improving. The right partner can set you up for success.*

### Identifying Gaps

Identify any known gaps in your current document management systems. A few effective questions to ask during this step are:

- Are my documents and files easily accessible anywhere, anytime?
- Do my current methods provide secure file sharing with my coworkers, clients, and any other potential users?
- Are my current systems integrated with the core professional software I use?
- Would my near-term and future business growth make my current systems obsolete and would it cost me significantly to replace and upgrade then?
- Do my current systems offer automation that saves time on repetitive and routine admin tasks?
- Are my current systems perfectly supportive of remote working and client services?

## Understanding Security and Compliance

You must consider the security and compliance requirements of your business. Carefully evaluate whether your current methods meet security and compliance standards. If not, you need to know what actions and steps you need to take to make sure you are in compliance. Make sure you choose a cloud-based DMS that's engineered with security and compliance standards in mind, so you start off with a strong framework and can easily build upon it.

## Considering the Vendor Partnership

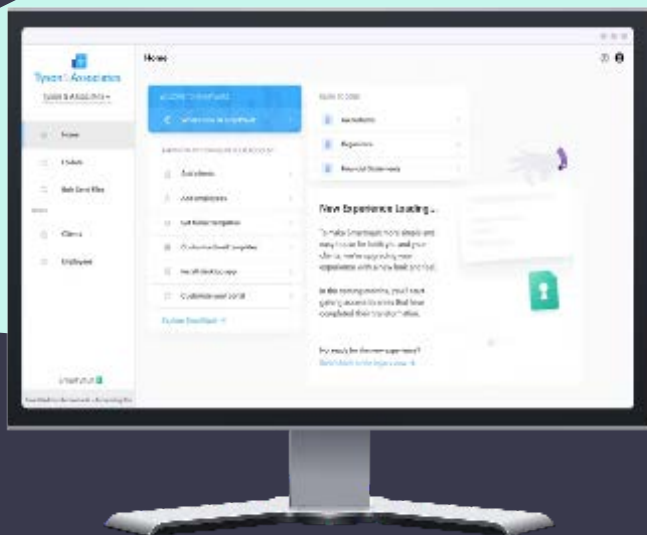
Look for more than just a software vendor. It's not enough to just buy software. You'll want a partner who can help you configure the DMS to your needs and set you up for success. When evaluating DMS options, make sure you consider the value the vendor can bring. Confirm they offer services like:

- A dedicated Customer Success Manager
- Onboarding and system configurations, including migrating data as applicable
- A detailed [knowledge base with training resources](#), webinars, and "How To" guides and articles, as well as an academy
- Personalized, live, one-on-one training sessions to get you up and running
- Business and system usage reviews that include suggestions for improvement based on your unique needs

## 10 Questions to Ask Your Vendor

Picking the best solution from a shortlist of potential vendors while meeting all the business requirements necessary for your company can be tough. Make sure to ask your potential DMS partners these questions:

- 1 Do you have a procedure for supplier selection?
- 2 Can you guide us through a step-by-step recorded demo or offer a trial?
- 3 How easy to use is the solution you provide? Is there any type of training needed or provided?
- 4 When was the solution launched on the market?
- 5 How do you continue enhancing the product to make sure it evolves as your user needs change?
- 6 Who are your customers?
- 7 How are you currently solving the problems faced by customers like us?
- 8 How will the software integrate with our solution?
- 9 How quickly do you answer customer support questions?
- 10 How quickly do you resolve customer issues?



“I estimate that we’ve boosted efficiency during tax season by at least 90% since implementing SmartVault... I used to ‘survive’ during tax season. I now operate much more efficiently.”

Michael Yuda, CPA



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