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A woman with dark hair, wearing an orange top and jeans, is sitting at a desk and smiling while looking at a laptop. She has her hand resting on her chin. The background shows a modern office environment with a plant and a shelf. The image is overlaid with a purple geometric design consisting of circles and triangles.

What Does Best in
Class Mean for
Your Business?



The Business Case for Building a Best-of-Breed Technology Ecosystem for Your Firm

The current accounting firm technology landscape has no shortage of available applications. For many firms, surveying and selecting the right ones for their firm represents a heavy investment of time and money. Making the wrong choice can end up wasting valuable resources. That is why starting with a solid technology acquisition strategy before you even begin researching and evaluating potential solutions is critical.

A long-standing debate in the accounting profession is whether a best-of-breed (i.e., adopting agnostic applications based on their discrete advantages) or a single-suite approach (purchasing all of the requisite technology you need from a single source) to acquiring, implementing, and using technology applications is better.

The real question for firms contemplating this choice lies in the last word of the previous sentence. Better. Whether your firm decides to select and tailor its own technology ecosystem based on its needs or go all-in on one vendor's offering for simplicity's sake, you should consider what you are trying to make better through the process.

Another way to think about your technology acquisition strategy is to answer the following question:

What problem or pain point do you want to eliminate through the use of technology?

For many accounting firms, the answers to this question may include:

- Assess and optimize practice-level performance
- Provide transparency into the profitability of services
- Create greater staff productivity
- Analyze key performance metrics for their firm and their clients
- Reduce inefficiencies in workflows
- Streamline, automate, or eliminate repetitive administrative tasks
- Increase throughput of billable work
- Improve client communication and collaboration
- Enhance the client experience
- Increase bandwidth to serve more clients
- Expand service offerings

There are many other “problems to solve” which may appear on the technology wish lists of accounting firms, but all of them tie back directly, or indirectly, to a firm’s bottom line. After all, the main goal of implementing any technology application should ultimately be to maximize your firm’s ability to run smarter, leaner, and more effectively which will increase revenue potential over the long term.



How Best-of-Breed Solutions Help You Build a Better Accounting Practice

To fully leverage the bottom-line benefits of any technology application, the key drivers of your selection and adoption should be the unique needs of your firm and the goals you have for fulfilling them. Your approach during this process should be aligned with these drivers, too.

This is what building a best-of-breed technology ecosystem is all about. Instead of adopting a single source for all of your technology needs and retrofitting the standard components of it to try to make them work for your firm, the better and more effective method is to look at each need you have and customize your technology choices based on the nuances of your operations, your budget, and the capabilities of each application. This is the essence and true value of a best of breed approach to technology acquisition.

Ideally, each best of breed technology solution you select should function as an evolving, flexible part of your firm's business structure rather than forcing your business to change its approach to fit a particular technology application. This will allow you to explore potential options, evaluate them against your objectives, and invest only in the ones that make sense according to the problems you are trying to solve.

Many of the common workflow and operational pain points accounting firms have can be alleviated by a number of solutions, so how do you truly select the best one?

It is often helpful to have a framework in mind for evaluating potential applications based on their bottom-line impact. This is how you can objectively assess the technological benefits of several best of breed solutions.



Utilize a “Selection by Objective” Framework for Evaluating Best of Breed Technology Applications

Consider these examples of the desired benefits you could use as part of your selection criteria as you vet best of breed applications to eliminate specific pain points in your firm:

- Time-savings from tax preparation software that helps you shave minutes off every tax return you prepare by automating data entry or integrating with other solutions in your technology ecosystem
- More efficient methods of collaborating with your clients so you can save time and receive more referrals from happy customers
- Enhancing the security of document storage in compliance with government regulations
- Providing cloud-based, controlled access to your firm’s files to your team and other stakeholders so they can work remotely, review information, and serve clients anytime, from anywhere
- Eliminate time spent chasing down clients for wet signatures by replacing this process with an integrated e-signature application as part of your tax, accounting, payroll, and advisory services workflows

Using a framework of “Selection by Objective” to evaluate best of breed applications, those that are agnostic rather than controlled by any one vendor, you retain the power of choice and flexibility when it comes to your firm’s technology infrastructure while leveraging all available workflow benefits, integrations, efficiencies, and cost savings.

The end result?

A technology infrastructure built around your firm—not a firm built around the limitations of any one suite-specific tech stack.

Checklist: The 6 Criteria that Define Best of Breed Technology Applications for Accounting Firms

Adopting a best-of-breed approach using a “Selection by Objective” framework to vetting and implementing technology in your accounting firm clearly has merit. However, even if an application is agnostic (i.e., it doesn’t belong to an integrated, fixed suite of solutions), you will need to evaluate which of these solutions is best for your firm. As we discussed previously, the purpose of any technology investment should be to better the bottom line of your firm by meeting a specific goal or set of goals.

This checklist of key evaluation criteria for best-of-breed technology applications can help you identify the solutions that will help your firm move forward with flexibility as well as the key feature and functionality your firm requires with maximum success.

Features and functionality.

If you are vetting technology solutions to fulfill a need as we have discussed, then this may be the first criterion you consider: how many of the key features and functions does this solution address for your firm. However, it is important to consider not just the functionality of the solution but the comprehensive impact it can have on your operations, future growth, and how does it synchronize with other solutions you are using.

Integration options.

This is a crucial consideration for firms using the best-of-breed approach to technology acquisition and implementation. The degree to which your solution can integrate with other components of your technology ecosystem can be a true game-changer for your firm.

One example of this: using a best of breed, cloud-based document management system that integrates with your practice management, tax, and e-signature applications and fulfills all of your firm’s compliance requirements related to document management. Taking this approach could streamline your workflow even further and save your firm thousands of dollars in direct and indirect costs every year.



Solution scalability.

A key objective for many firms is to use their technology infrastructure as the functional framework they need to create a scalable system for serving clients. This will allow a firm to grow exponentially—but only as fast and as far as the solutions they are using will allow them to go. Make sure the technology applications you are using can scale to the level you need them to.



Adaptability and agility.

Any best-of-breed solution you are considering should have built-in flexibility and allow your firm to be agile, too. This is one of the key benefits of best-of-breed technology, allowing you to customize solutions to your specific needs and for the solution itself to be consistently improved so its capabilities can help your firm adapt to emerging trends and client needs.



Budget considerations.

As with any investment your firm is making on the operations side, technology represents both a direct cost of the solution itself and indirect costs related to the implementation of it in your firm. However, you should also consider the costs of not integrating the solution into your technology ecosystem, which may be much higher, including time spent on inefficient processes, the resulting client dissatisfaction, and problematic workflows, etc.



Long-tail ROI and results.

Building on the point above, while the initial cost of a best-of-breed solution may be significant, it may be much less than a suite-specific solution. This is because, with a best-of-breed solution, there's no captured user market so the vendor must be market-price. In addition, consider the return your firm can realize with the solution in place over the long term. You may wish to ask solution providers and your peers for the types of ROI you can expect over a year, and even longer to appreciate the results any best-of-breed solution may be able to deliver.

Create an Actionable Timeline for the Implementation of your Firm's Best of Breed Technology Infrastructure

Once you use the overall criteria which define best of breed technology applications and the framework provided for evaluating them, it's time to determine which pain points and operational needs to tackle first. Once this step is complete you should be able to take your best of breed technology infrastructure "blueprint" from your firm's proverbial whiteboard and put it into action to benefit you, your team, and your clients.

To create a timeline for implementing your firm's best of breed technology infrastructure, assign a date to each of the following steps. If you are planning to implement more than one component of your total ecosystem simultaneously, then make sure to incorporate specific dates for each solution. You can also follow the same process to create an annualized plan:

- 1 Create a visual representation for your desired stack that denotes where each "connecting" solution will fit within your overarching infrastructure.
- 2 Conduct a cost-benefit analysis for all of the solutions you would like to add to your technology infrastructure to have a realistic budget based on expenses and get more value from new and existing solutions.
- 3 Assess your team's technology proficiency and determine if any training is needed in order to fully utilize the technologies you plan to implement.
- 4 Review all of your existing processes to ensure that you and your team understand how each new addition to your tech stack and ecosystem will integrate and how the workflow you currently use will evolve.
- 5 Determine the schedule for implementing the new solutions you have selected based on a roll out to staff, clients, and any other third parties who may access them.
- 6 Once the implementation is done, conduct an audit of your accounting firm technology ecosystem regularly to make sure each person is extracting the desired return on investment from individual tools and the stack as a whole.

Take Action Now to Better Your Firm's Business Model Using a Best of Breed Technology Infrastructure for Your Firm

A critical roadblock, and often a stumbling block, for many accounting firms when it comes to implementing best of breed technology solutions is the failure to look at the big picture of their overall technology needs.

This is why on the surface, suite-specific accounting technology may hold some appeal: getting “everything you need” from one source looks like an easy shortcut across what may feel like a vast expanse of potential technology choices. However, singular solution sets actually reduce your firm's independence and often times its profit margin, too, given the cost of investing in enterprise-level software and then having to work around its lack of flexibility and other limitations.

Having a best of breed technology ecosystem in place allows your firm to remain independent, agile, responsive to changes in the business environment and to your employees' and clients' needs.

Best of breed solutions will also allow your firm to realize additional revenue opportunities and maximize return on investment by enabling your team to do their job efficiently and effectively, which is essential for sustainable growth and to be able to evolve your operations at an optimal pace that is tightly aligned with your unique goals and objectives. All of which will help you better your firm's bottom line and business model moving you forward to the next level of success.





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build a better accounting practice.

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