

# Why the Mandatory 80-Hour Workweek Is a Myth (And What to Do Instead)



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## Introduction

Tax season is your accounting firm's busiest time of year, with some employees working far beyond the standard 40-hour workweek. But how many hours are enough? 60? 70? 80?

And, be honest, how productive are your employees during those late evenings? Day after day, continuous filing takes its toll, leaving your team resembling the walking dead while the quality of their work dwindles.

The accounting industry is known for its unruly schedule, with some accountants working up to <u>100 hours per week</u> during tax season. But this won't continue to work in today's age of technology. Modern firms are already finding ways to use document management solutions like <u>SmartVault</u> to decrease hours (without sacrificing output) and, believe it or not, add clients.

Are you ready to give your team their time back this tax season? Here's how firms are breaking free from the 80-hour workweek and changing the accounting game through efficiency and automation.

# The true cost of the 80-hour accounting workweek

As the flood of work comes in during tax season, pushing your team to work longer hours may seem like the only way to stay above water. But working harder doesn't always pay off. In fact, overworked employees can create more problems than they solve.





## **Productivity and output**

More hours means more output and more money. At least, that's what the age-old mindset is around tax season.

But more hours actually means more fatigue and more mistakes. In fact, employees who work more than 40 hours per week see a decrease in their productivity for each hour they go over, according to research by **Stanford University**.

This research also shows that while losses in productivity may be less noticeable around 45 or 50 hours per week, employees who consistently go above and beyond can, over time, experience fatigue, stress, and other negative factors that impact their efficiency.

The lesson here is that working your employees to the bone could lead to short-term revenue, but it's likely to cost you more in the long term as team members reach burnout, quiet quit, or jump ship entirely.

## Employee retention and wellbeing

According to a <u>McKinsey study</u>, burnout due to unsustainable work performance expectations was one of the main drivers behind the Great Resignation in 2020 and 2021. It's still true today that firms risk losing talented team members when they push employees to the limit.

When employees leave, firms then have to rehire, and filling that gap doesn't come cheap. In fact, replacing a burnt-out employee can cost you three to four times their annual salary, according to the **Society for Human Resource Management (SHRM)**.

The U.S. Government Accountability Office (GAO) also found that employees who work long hours are more susceptible to health-related issues like heart disease and stroke. This is not only detrimental to the well-being of your employees, but when they're out sick, it can create bottlenecks and project delays that increase the burden on the rest of your team.

Extending your hours also means sacrificing your firm's culture and employees' work-life balance. Long hours can deteriorate your team's morale, making productivity decrease and hiring difficult.



### Quality and service

As your employees drop like flies, your other team members will need to pick up the slack. And when you don't have enough employees willing to work for your company, those remaining team members are more prone to making costly mistakes.

In 2023, 720 companies reported that being understaffed could have led to <u>financial</u> <u>statement errors</u>, according to a study by equity research firm Hudson Labs. By having your remaining team members absorb the work from those who left, you risk creating conditions that could lead to errors.

These mistakes could damage your clients' trust in your firm. Clients who experience errors are less likely to return and may even become public advocates against your firm. Errors could also lead to compliance or security issues, which will land your firm in hot water legally and financially.

# Why do we keep accepting the 80-hour accounting workweek?

Those who work the hardest get to make partner and are springboarded into wealth and prosperity, right? As a new generation of employees enters the workforce, this perception of the industry is changing — whether traditional thinkers like it or not.

Gen Zs and Millennials prioritize work-life balance and mental well-being more than career growth, with <u>49% of Gen Z employees</u> using it as a top criterion when choosing where to apply, according to Deloitte. In the same analysis, 19% of Gen Zs and Millennials reported choosing their current employers because they offered flexible hours.





#### But why is the industry so unwilling to change? Resistance comes in the form of:

#### **Client retention concerns**

Firms may think fewer hours means they're unable to take on as many clients, which could cost them longterm relationships and steady income.

#### **Revenue impact worries**

For firms that believe fewer hours equals less output, their concern may be that less output means less revenue.

#### **Industry perception**

Some firms continue to require long hours to match an industry expectation they mistakenly believe exists.

#### **Competition pressures**

Firms may fear losing loyal clients to their competitors if they decrease their team's hours. This traps employees in an unnecessary cycle of late nights, all for a perceived competitive edge.

#### **Technology adoption hesitation**

Some teams are just not interested in investing in or learning about new technology. Whether it be a lack of trust in the cloud or a general skepticism about the value of these tools, firms may prefer to do things "the old-fashioned way."

This resistance could be the nail in the coffin for many firms. As many CPAs realize they can open their own firms with their own rules, those that continue to fight against the wave of progress may end up losing their top performers.

This is why many firms have taken the leap into the age of enhanced productivity — and the best part? They're seeing results.

# Success stories: Breaking the mold

To achieve a balance between producing quality work and granting reasonable hours, these firms use SmartVault — an accounting-focused, advanced document management system (DMS) — to achieve the following results.

### Finding time for life with Dawn Brolin

Dawn Brolin, CEO of Powerful Accounting and a well-respected educator, wanted her digital solutions to work just as hard as her team. Plus, with young kids at home, she didn't want to be tied to a desk.

"I didn't want file cabinets. I didn't want to have the burden of paper. I wanted the ability to move and travel whenever I wanted to. That's why I initially started loving SmartVault," she says.

By <u>modernizing her accounting firm</u>, Dawn and her employees experience more efficiency, simplifying life for them and making document uploading easier for their clients. "SmartVault enables us to seamlessly onboard new clients and scale our services without increasing staff time," Dawn says.

Faster processing ensures that clients can receive their returns in a timely manner. This also allows Dawn's team to work just six hours a day during their busiest season, giving Dawn more time to volunteer as a collegiate softball coach. "I don't call it 'tax season' anymore. I call it softball season," she jokes.

#### Doubling clients without doubling work hours with Boscia and Boscia

Nick Boscia and his partners at Boscia and Boscia were growing so fast that their client load became overwhelming — a nice problem to have.

"We were getting new clients and increasing revenue, which was great, but then I was working a million hours and spearheading every process from client onboarding and on," Nick says.



With clients following different processes, collecting and sharing documents had become inefficient and time-consuming. "They were either dropping off physical paper and then we'd have to scan it — and obviously that's super inefficient — or they'd send us documents in an unsecure email," Nick says.

Instead of sticking to the status quo, Nick decided to consider how digital solutions could lighten their load. "I knew I had to make changes in firm operations and that I needed to start with technology," he says.

By implementing SmartVault, Nick created a secure client portal that improved the efficiency of his client intake process while also protecting his firm and clients' data. "We doubled our client base because of SmartVault," Nick says.

Not only has Boscia and Boscia continued to grow, but Nick and his team have experienced a newfound work-life balance and profitability. "My fiancé and I just went to Bali for two weeks, and our firm ran completely fine without me there," Nick says.

#### **Keeping schedules under control with The DC Firm**

Sandy Christiansen, administrator of <u>The DC Firm</u>, faced her worst-case scenario when their client portal went down in the middle of tax season. Her team had to work overtime to correct the issue so they could stay on track.

Sandy wanted to give time back to her employees while improving the quality of her clients' experience, so she shifted to SmartVault. "With SmartVault, we can keep our workdays to a normal schedule rather than working long, crazy hours," Sandy says.

"SmartVault has freed us up to have more meaningful phone calls and faster response times to client questions," she adds. "Everything is much more efficient, and clients appreciate how quickly we can respond to them."

Using SmartVault's collaborative client interface, Sandy's team can now work remotely. "SmartVault allowed us to relocate our business three hours away from our main client base while improving our service quality," Sandy reveals.

These success stories show that investing in modern solutions like SmartVault can majorly impact your team's workweek.





# How to break free from the 80hour accounting workweek

You've heard the stories and know the costs — now it's time for you to move away from painful 80-hour workweeks. Taking the right steps can help you cut back on weekly hours without sacrificing the quality of your work — a change that will be appreciated by your clients and employees alike.

### Investing in and implementing technology

When it comes to cutting back on hours, efficiency is key. If you can work faster, you don't have to work as many hours. This is where technology comes into play. The primary reason to use modern accounting technology is to make your job easier — leaving you and your team with more time for the everyday joys of life.

But which solutions are best suited for cutting back accounting hours? While there may be a variety of options available, here are a few capabilities the solution you select should offer:

### (), Document management automation

Creating folders and navigating your tax system's database is likely one of the most timeintensive tasks in your workflow. A document management system (DMS) will transform this process into one of the easiest aspects of your day. DMS solutions automatically create client files based on your set folder structure and organizational system, allowing you to focus on producing quality results rather than managing documents.



## Client collaboration tools

Getting clients to send in (or hand deliver) files to your office, review results, and approve projects can be a bottleneck that unnecessarily increases weekly hours. Investing in a <u>client</u> <u>portal or collaboration software</u> lets your clients quickly submit, review, sign, and approve documents without the need for long email threads or badgering phone calls.

## **Process streamlining solutions**

Scanning paper documents, uploading client data, and other lengthy processes are a thing of the past with the help of modern technology. Solutions like SmartVault transform lengthy processes into automated workflows, cutting back unnecessary administrative time and ensuring accuracy.

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Even if you already have an accounting tech stack, your solutions may not play well together — your team may be spending hours manually transferring data from one system to another, checking for errors, and correcting any issues. Investing in solutions with a wide range of integrations (particularly those with tax software integrations like SmartVault) means no more manual transfers — accelerating your workflow and reducing the risk of data inconsistencies.

Some advanced, accounting-focused solutions like SmartVault provide your team with every one of these functionalities. While other more basic solutions claim to offer these features, don't be fooled. Make sure you find out exactly what the solution you're interested in can do so you don't end up spending extra hours picking up the slack for the technology you bought to save time.

### **Team structure changes**

Another way to improve efficiency and free up hours at your firm is to rethink the way your team tackles tax season. Try implementing some of these changes to see if your team can make it home before dinner this year.

- **Workload distribution:** You may have some team members who consistently go above and beyond while others coast, or there's a resident expert in a particular area who takes on more than their colleagues. Assigning work evenly takes the pressure off top-performing team members, reducing burnout and ensuring a fair distribution of hours.
- **Specialization opportunities:** Offer your team members the opportunity to specialize in particular areas. While your entire team can handle general work, having a specialist for complex tasks can lead to quicker results for your clients and offer your team opportunities to enrich their careers.



- **Training and development:** Not only should you provide your employees with effective training when they start with your firm, but education should be ongoing. As the accounting industry changes over time, your team must understand how to stay ahead of the curve so they don't fall behind.
- **Communication improvements:** Building open communication pathways allows your team to identify and address potential barriers to maximize efficiency. While you may have your own ideas about what improvements could be made, your team members are more immersed in your firm's day-to-day operations, which means they could have brilliant suggestions that can buy everyone a bit more downtime this tax season.
- **Consider temporary help:** If your team is operating at peak efficiency, but you're still struggling to meet your target hours, it may be time to bring in outside assistance. Working with organizations like <u>TOA Global</u> can relieve your in-house team's stress by providing you with temporary, secure access to offshore employees during your busy season.

By making these changes, your team can achieve newfound efficiency — and clock out a little earlier than expected.

# Reclaim your time while maintaining quality

This tax season, imagine your team getting to go home early. Not just once or twice, but every day. Picture your first vacation in years — one where you don't even bring your laptop or feel guilty about the long hours it creates for others back home. This isn't just a fantasy — it's a reality you can create by taking the proper steps toward work-life balance, automation, and efficiency.



## **Ready to make a change?**

Talk to the team at SmartVault about turning this vision for the future into a technology-powered plan.

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