

harnessing technology

Shrewd use of technology, says Calum Robson, means greater value for money, reduced environmental impact – and more time to focus on clients.

■ **As the economy lurches further into recession, how can small and medium-sized practices (SMPs) use IT to their advantage? Are advanced technologies purely the preserve of larger, better-resourced practices? What solutions are available?**

today's technology challenges

According to Peter Denton, partner in Williams Denton, a chartered certified practice in Bangor, Wales, smaller practices face a number of technology challenges: "Keeping the network secure and operational is a top priority," he says. "Reducing downtime is an essential. Systems will always fail at some point, meaning you have to call in the engineers – but the key is keeping on top of it, not giving up on technology just because of occasional mishaps."

Robert Epstein, Head of Small and Medium Businesses at Microsoft UK, says a vital current challenge is managing cashflow: "SMPs have less capital available, combined with lower business levels and clients taking longer to pay their bills," he says.

Many SMPs' partners are aware of standard accounting software to provide services to their SME clients, and manage their own practices. But a substantial number remain woefully unaware of their options: "There's a lack of technology expertise out there," says Epstein. "Many SMPs still keep accounts in Excel instead of using straightforward, but more efficient, bookkeeping software. Data has to frequently be re-worked or duplicated. Yet there are basic software products available as free downloads."

keeping costs down

SMPs are now anxious to find ways of using technology to keep their costs down and achieve more with fewer resources. Many cannot hire additional staff, yet must fight harder for business.

Epstein says that even smaller organisations can save significant costs using IT: "There are some obvious solutions, such as using voiceover IP (voiceover internet protocol) and using meeting technology to reduce costs."

No longer is expensive hardware needed to take advantage of these technologies: "You can now carry out sophisticated web meetings remotely while everyone 'attending' simultaneously shares documents and presentations, and views the same virtual whiteboards where people can scribble ideas during the meeting," says Epstein. "So it's feasible to save yourself and your clients money. And of course, there's an enormous cut-down in the amount of paper used."

But surely that requires the SMP's client to install specialist software to share these benefits? Not so, says Epstein: "The beauty is that these services are now available online – no one needs to spend thousands of pounds."

Companies like BT can set up products such as Live Meeting, which can be used on a 'per-minute' basis via most web browsers, and hosted by the SMP's internet service provider.

There's perhaps a sense amongst many smaller practices that running online meetings is 'a bit sci-fi' – and that the message that these services are now quite common (and cheap) has yet to filter through. However, the current economic climate may prove the tipping point for those more forward-thinking practice managers to start taking the latest IT architecture seriously. "The great thing is that with today's technology, services like these tend to have 99% guaranteed up-time, and the online software is constantly being updated", says Epstein.

IT aids marketing

"Intelligent use of small business software and enhanced IT offerings to clients will not only keep the cost down, it will be a major

differentiator in the local marketplace," says Stefan Töpfer, CEO and Chairman, WinWeb.com. "Offering small business software like WinWeb's OnlineOffice to clients for free is already changing clients' view of accounting firms, building loyalty and value."

At Williams Denton, the firm increasingly uses IT to carry out business development campaigns. And, of course, sending marketing messages online means a further step along the road to the paperless office.

"We do more e-mailshots and send out e-newsletters," says Denton. "So we also rely on technology to manage our customer and potential customer database. Also, the flavour of the message we send out these days is shifting – clients want to hear what we have to say on issues such as cost control and debt management."

Kate Davies, a partner at six-partner Southend-on-Sea firm, Rickard Keen, recommends greater use of websites to support business development: "Clearly the internet and e-mail offer almost infinite opportunities for marketing for most SMPs. Websites, newswires and key-word optimisation can increase an SMP's profile at a moderate cost if planned effectively."

"If a client starts using your website or newswires as a good reference guide or for up-to-date business information, the opportunity to cross-sell services or encourage client referrals should also increase. Offering services such as secure document exchange areas for clients will also help to tie them into your website – but the key will always be to ensure you have up to date and relevant content on your site."

Epstein says that SMPs tell him they increasingly lean on technology to manage their customer relationships more effectively – something that's more acutely important in today's market: "There are a range of systems that can be deployed to capture every aspect of client relationships," he says. "Firms that are hot on IT use technology to account for all their interactions with each client. It doesn't have to be complex – they simply need to keep centralised records of what's going on with every relationship."

"If you have a small practice, it's quite feasible that a client could call in and speak to



a junior if the partner is elsewhere. If the client calls back later and the partner hasn't been made aware of the conversation, and doesn't have ready access to a commonly accessible client record, it looks unprofessional. Very simple relationship management systems, that can be expanded as the practice builds, mean that kind of miscommunication can be avoided."

developing IT strength

"Today, people expect to work in an up-to-date and efficient environment, where IT supports them to ensure they maximise their potential in the practice," Davies says. "Both time and money have to be invested in IT resources, training and development; IT never stands still, so systems and processes must be under continual review."

In addition, she insists that firms must be able to support clients at all ends of the IT literacy spectrum: "Whether it's offering internal support with basic IT queries on their record-keeping systems, providing an outsourced solution or helping clients develop bespoke systems for their businesses, firms need to demonstrate IT capability and understanding."

Denton says that the first thing to do, when implementing an IT strategy, is for SMPs to identify what they spend most of their time on, then computerise it: "Almost certainly, accounts production would be the starting point," he says, "followed by tax computations and returns."

Looking ahead, Davies says that, as IT has developed so much within practices over the last ten years, predicting what will come next is a hard one to call. But she says, "Over the short term, I expect most SMPs will be looking internally at integrating their current software and systems to streamline client information and processes. Externally, the main threat to SMPs must be the ability for the clients to self-serve, with the increased uptake in the numbers of people filing their own tax returns, VAT returns and payroll information." And she concludes: "Forward thinking SMPs will identify opportunities to emphasise their services and provide an adviser role, so that the client values the relationship with the firm." ■

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