

# **WHITE PAPER**

# THE 10 MOST COMMON MISTAKES ACCOUNTANTS MAKE WHEN GOING PAPERLESS



THOMSON REUTERS

# MOST COMMON MISTAKES ACCOUNTANTS MAKE WHEN GOING PAPERLESS

You've certainly heard the buzz about the paperless office. In fact, you would be hard pressed to find an industry journal that hasn't featured an article on the subject. But even with all the hype in the industry, you may still be asking yourself if the benefits outweigh the obstacles in implementing the paperless office. We assure you they do, as long as you plan your transition appropriately to avoid common pitfalls. We understand that the paperless office is not something you can implement overnight.

To begin making the move toward a paperless, or "less-paper" office, you need to be aware of what lies ahead and some of the common mistakes to avoid. Of course, with any new process you put into action, implementing the paperless office requires planning and adjustment. First, you must begin to move away from the notion that hard copies are a necessity. In the accounting profession especially, most still want to see and feel paper documents to know that they truly exist. Second, you must open your mind to the idea of digital files and begin to realize the many rewards of managing less paper—including elevated productivity, reduced costs, and happier clients.

If you are ready to make the move toward less paper, be sure to consider and avoid the top 10 common mistakes:

## 1. TRYING TO GO COMPLETELY PAPERLESS COLD TURKEY. START OFF BY SIMPLY GOING "LESS PAPER."

We do not recommend jumping into a completely paperless office right off the bat. Going paperless, or simply "less paper," is a process. Too many firms try to transition to a paperless office too quickly, and soon find out exactly how overwhelming the move can be. Start off at a pace that is right for you and then progressively move into a paperfree environment. There is no rush. Take your time. For example, you could simply start by converting this year's tax returns from paper to digital. From there, work up to financial statements, and so on.

## 2. TRYING TO TACKLE THE JOB OF CONVERTING ALL FILES FROM PAPER TO DIGITAL. SIMPLY, MAKE NOW YOUR STARTING POINT.

Many firms view going paperless as overwhelming and altogether unmanageable—causing them to disregard the move. The thought of scanning in volumes of archived files to get to a paperless status is daunting. We don't recommend scanning in archived files, but

rather, starting the paperless office on a going-forward basis. You can begin by creating electronic copies of current documents within your Creative Solutions software and saving them to your digital document management software. And scan only new documents from here on out to create digital copies. Going paper free doesn't have to be overwhelming. Simply begin your paperless office with current documents and move forward from there.

## 3. NOT HAVING A PLAN. HAVING A PLAN IN PLACE IS KEY TO STAYING ON TRACK.

One of the best ways to get started with implementing a less paper office is to develop a plan that contains simple, easy-to-follow steps and sets reasonable milestones. This plan can contain the paper-reducing goals of your firm, how you envision achieving them, and your target deadlines for meeting your firm's desired level of paperless. You will also want to identify a date that you plan to be completely paper-free. Pinpointing a date will further motivate your entire staff to stick to the plan and commit to progressively cutting back on printing paper files. Set a date, remind people often throughout the process of that date, and stick to the schedule. Any successful project requires a well thought out plan—one that can act as a helpful blueprint for where you are and where you want to go.

## 4. NOT DOCUMENTING PROCESSES. PROPER DOCUMENTATION WILL FACILITATE A SMOOTH PROCESS.

To keep your new paperless strategy at the forefront of all your employees' minds and to ensure consistency in practice, it's helpful to develop and document your firm's processes for creating and managing electronic documents. Have staff members document procedure details so that all potential issues are considered. You should also prepare your staff for the change in process, so expectations are in line...paperless is more efficient, but different nonetheless. Having documented policies and procedures that are consistent and readily available helps with the learning process and ensures accuracy.

## 5. GIVING INSUFFICIENT THOUGHT TO THE ORGANIZATION OF YOUR DIGITAL FILES. STAY ORGANIZED FROM THE START.

Give ample thought up front to how you want to organize your electronic files. Planning your file structure before you begin down the road to paperless will help the overall process run much more smoothly. It is recommended that

"EVERYONE IN THE FIRM MUST BE INVOLVED. GET EVERYONE OFF THE BENCH AND ONTO THE FIELD. DOCUMENT MANAGEMENT IS NOT A SPECTATOR SPORT."

—L. Gary Boomer, "Valuable lessons learned from going paperless," *Accounting Today*

"GOING PAPERLESS WILL TAKE THE SUPPORT OF EVERYONE IN THE CHAIN OF COMMAND, BEGINNING WITH TOP MANAGEMENT."

—Brent Goodfellow, "Going Paperless," *The CPA Software News*, October 2003

"FIRMS THAT SUCCEED IN THIS AREA [THE PAPERLESS OFFICE] DEFINE THEIR POLICIES AND PROCEDURES IN WRITING."

—L. Gary Boomer, "Valuable lessons learned from going paperless," *Accounting Today*

you use an advanced digital document management system to help with this. Some of the best systems offer the choice of user-defined folders that are monthly, annual, or enduring (permanent) and will also automatically name files by client name and save them to the appropriate client folders.

#### **6. NOT THINKING THROUGH SCANNER IMPLEMENTATION. GIVE THOUGHT TO THIS AS PART OF YOUR OVERALL PROCESS.**

It's important to include details on the scanners required to support your move to paperless in your overall process. Going "less paper" requires a certain grade of scanner(s) and accessibility to these systems. Consider how your equipment will affect productivity. High-speed feed scanners can handle large volumes of paper documents, making the process of converting paper to digital fast and easy. Offering multiple scanners within the office allows staff to convert their own files as needed, while providing access to only a single, centrally located scanner may require an administrative person to coordinate and process requests as they come in. Depending on the size and needs of your firm, either process could work well. Overall, having the right equipment will help the paperless process run smoothly.

#### **7. RESISTANCE AND LACK OF PARTICIPATION FROM SENIOR PARTNERS. EVERYONE MUST BE ON BOARD.**

Often, top managers are the hardest to convince that change is good. Set in their ways and committed to processes that work for them, this group will often take themselves out of the picture when major changes are occurring—especially when technology is involved. Don't let this happen. Be sure that all your top managers are signed up for the transition. The paperless transition should take place at every level of your firm. Change is easier when you create an attitude of commitment among your entire staff—from top managers to the newest employee.

#### **8. TRYING TO IMPLEMENT WITHOUT A LEAD PERSON. SELECT A CHAMPION TO COMMIT TO THE PROCESS AND INFLUENCE OTHERS.**

Changing old habits is one of the most challenging aspects of implementing a paperless office. Having a leader to champion the cause will help keep your plans on track. A leader can help employees envision how much time and effort electronic document management will save them and remind them why they need to break old habits. Establishing a leader tasks one key person with making sure the process continues and the project stays on track, while also offering a single

resource for communicating issues and documenting success. You always need one person committed to the project's completion.

#### **9. LACK OF INVESTMENT IN TRAINING. TRAINING UP FRONT WILL SAVE TIME LATER.**

For successful implementation, an investment in training can make all the difference. When you train employees on the software tools as well as the processes you put in place for document management, you can save countless hours of frustration later. Having even just a few select employees with in-depth knowledge of the paperless process will help foster an understanding throughout your office. You'll find that your investment in training will be returned many times over as your paper-free environment unfolds.

#### **10. DISMISSING THE IMPORTANCE OF BACKING UP DATA. YOUR DATA IS GOLD.**

Part of the paperless process involves consistent data backup. Your data is gold and irreplaceable, so be sure that data backups are a part of your overall plan. To ensure that your data is secure, it is essential that you back up your data on a regular schedule. We recommend using a leading electronic document management system that offers automatic data backup. If backing up data manually, we recommend a schedule that makes sense for your firm and that you store your data in multiple locations to ensure complete security.

"MANAGEMENT IS RELENTLESS ABOUT TRAINING, WHICH IS THE KEY TO A SUCCESSFUL TRANSITION TO THE PAPERLESS OFFICE."

—Sarah E. Phelan, "A Paperless Success Story," *Journal of Accountancy*

"GET USERS ON BOARD. CHOOSE 'PAPERLESS CHAMPIONS' AND MAKE THEM VISIBLE ROLE MODELS."

—Sarah E. Phelan, "A Paperless Success Story," *Journal of Accountancy*

"USE THE COMPUTING SYSTEM'S BACKUP UTILITIES, AND RELY ON THEM. THEY ARE SAFER THAN STORING PAPER IN A FILE CABINET."

—Charles Tzinberg, "The Road Less Littered: Getting Started on the Road to Taking Your Firm Paperless," *The CPA Technology Advisor*

WITH A THOROUGH UNDERSTANDING OF THE PROCESS ITSELF, YOU WILL SOON SEE THAT STARTING DOWN THE ROAD TO LESS PAPER IS NOT AS OVERWHELMING AS YOU MIGHT HAVE FIRST THOUGHT. IN FACT, IT CAN BE A SMOOTH AND EASY PROCESS THAT WILL EVENTUALLY TRANSLATE INTO DRAMATIC TIME AND MONEY SAVINGS.

CALL 1300 304 197 TODAY  
FOR AN OBLIGATION FREE  
GOFILEROOM  
DEMONSTRATION

Or visit us online at  
[www.thomsonreuters.com.au/taxsolutions](http://www.thomsonreuters.com.au/taxsolutions)

Thomson Reuters is the world's leading source of intelligent information for businesses and professionals. We combine industry expertise with innovative technology to deliver critical information to leading decision makers in the financial, legal, tax and accounting, scientific, healthcare and media markets, powered by the world's most trusted news organization. With headquarters in New York and major operations in London and Eagan, Minnesota, Thomson employs more than 50,000 people in 93 countries.



THOMSON REUTERS