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Help Clients Maximize Their Cost Savings

Three key questions trusted advisors should ask

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As small to midsized businesses work to do more with less, it is important for CPAs to offer their clients added value.

In their advisory role, CPAs may find themselves researching a number of ways to save clients money or developing financial plans that allow the business or corporation to look attractive to investors.

If the goal is to save clients money, CPAs are in the perfect position to set themselves apart by taking a holistic approach and identifying red flags in their clients' processes and technology.

To that end, a management and technology consultant may be able to help CPAs re-engineer their clients' business processes through upgrading financial, management or operational software; work with clients' management to save money on technology costs by changing certain processes; and, help clients to operate more effectively and efficiently.

For example, if a CPA witnesses a client performing a task manually that could easily be automated to save time and money, there is an opportunity to bring added value to the client by suggesting they seek the guidance of a software consultant. This demonstrates the CPA's commitment to client satisfaction and positions the CPA as a partner in helping the business to function optimally.

Here are some additional questions CPAs can ask their clients to see if bringing in value-added services will benefit their bottom line:

1. Do your employees understand how to use your technology?

There is a lot to be learned from something as simple as asking staff how they use technology such as a software application or hardware component. Again, look for processes that the staff performs manually, which can be automated, and software features that are being underutilized.

It is common that organizations purchase financial, management, and operational software that have features that they are either unaware of or unfamiliar with. By taking advantage of these features, the staff experience is improved, thereby increasing efficiency. However, it may also be time for your client to examine the physical components of their IT structure, such as hardware and software, if the current system is not effective.

2. Are you experiencing any inefficiencies?

Businesses can often experience technology gaps and inefficiencies as a result of outdated technology; inefficient use of technology; or overinvestment in technology. These oversights can inhibit both productivity and profitability. It is important for businesses to examine their existing technology environment to identify opportunities for improvement.

During the assessment, a consultant will look for faulty configurations, procedural bottlenecks, investment in unnecessary technology, redundancies or obsolescence, and inadequate security, as these represent areas for improvement and potential cost savings. Thoroughly examining these components and making the necessary changes can position the organization for future growth and success.

As for the company's financial, management, and operational software, it is important to consider whether or not the software applications are up-to-date and have all of the necessary features. An application needs analysis can help businesses determine whether or not new software is necessary, which may lead to cost savings.

3. Have you recently reviewed your vendor contracts?

The current economic climate represents a tremendous opportunity for businesses to reduce their expenses by doing something as simple as renegotiating their vendor contracts. By simply renegotiating vendor contracts, businesses may realize significant savings.

In addition to renegotiating existing contracts and seeking flat-fee, all-inclusive contracts for information technology support, it is crucial to review invoices from current vendors and assess recent charges. For example, some IT support vendors charge their clients in minimum time increments. This means that a task that only took 10 minutes may be billed as taking one hour, if that is their smallest billable increment. This helps your client to better understand their IT needs and evaluate the associated expenses.

IT is an integral part of a company structure and day-to-day operations. By examining the current IT structure, future needs and user experience, businesses can save money, become more efficient and allocate an increased percentage of its resources to reaching business goals.

By asking the right questions, CPAs can provide added value to their clients that will strengthen the company's financials and position themselves as a trusted advisor.

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