6 Ways to Make Your Accounting Department More Efficient

Accounting efficiency cannot be overstated. However, as technology advances and COVID-19 continues to impact the corporate landscape, accountants are re-evaluating their processes for optimized efficiency. Whether your firm's objective is to expand your client base without increasing overhead or increasing its service offerings, efficiency is key to accomplishing your goals.

Shifting to the New Accounting Efficiency Norm

Efficiency is achieved in most organizations by creating standardized processes that streamline key business functions. This can be more complicated in accounting than in other areas of the business.

Traditionally, accountants juggling multiple clients have accommodated their client's preferred processes and software selection. In instances where paper processes are preferred, firms have taken on swaths of physical files and relied on in-person visits for reconciling accounts or signing checks. Managing clients with various software preferences and workflows, and having to learn each one, can take considerable time and effort. When you multiply that by dozens or hundreds of clients, efficiency starts to suffer.

Fortunately, accountants are beginning to outline workflow standards and adopt universal technology they can use across all clients. Firms are also identifying the types of clients they want to work with and building processes to accommodate them.

This shift to unified practices helps save time, money, and effort. It can also help grow your business. Streamlining accounting processes frees up time to incorporate new services or add additional clients without requiring more bandwidth. Digitizing administrative work like data entry and check runs allows more time for forecasting, problem-solving, and planning with clients. Similarly, efficiency provides a better client experience by providing on-demand information.

How to Build a Strategy for Efficiency

1. Establish Set Workflows

The first step to improving your accounting efficiency is to understand and optimize your internal workflows. Doing so creates sustainable efficiencies while positioning your firm for growth.

Start by listing the primary services you offer and identify the scope of processes that support these services. After determining which processes have the largest business impact, prioritize them and try to tackle the most important ones first. An internal audit allows you to identify potential bottlenecks and find new areas to streamline.

Next, document the processes you plan to improve into a flowchart. Identify how many individuals are involved with the flow, the number of client touch points occurring, and key deliverables included in each process. Then, define meaningful metrics to track your performance. This exercise is essential for pinpointing which steps are most impactful in your workflow and where there may be room for more efficient operations.

2. Replace Paper Processes

When documenting your workflows, paper and manual processes are likely your biggest efficiency bottlenecks. More firms are introducing electronic forms and accounting software, and ditching outdated paper processes.

Transitioning to paperless streamlines your processes, creates more standardized financial records, and can help keep you compliant.

Replacing paper processes can also help build efficiencies including:

- Document management systems make files available in a click. Reinvest time spent searching for files to use on more pressing revenue-generating tasks.
- Digital files reduce money spent on resources like paper, printers, postage, and office space for files.
- Paperless solutions automate manual processes like regulatory audits and repetitive tasks like expense reimbursements.

A study by SmartVault found that accounting firms that offered virtual collaboration tools to their clients were [more successful in dealing with the pandemic](). Furthermore, firms that relied more heavily on paper processes and postal mail rated themselves as less successful in dealing with the pandemic.

3. Embrace Cloud Technology

The cloud is making it possible for accountants to offer a wider scope of services that were limited by paper or manual processes. Cumbersome tasks like bookkeeping and payroll services can be automated with the aid of cloud-based software.

In the same study by SmartVault, 62% of accounting firms felt their COVID-19 response was [more successful due to cloud-based technology]()—particularly cloud-based document management and client portals.

Cloud-based technology supports business continuity, which is an important metric for any accountant. It also creates a more seamless experience for your clients.

4. Make Accounting Software Accessible to Auditors

It doesn't take documenting your workflows for accountants to know that the auditing process is time-consuming and draining. Digging through files for documents you already provided is arduous. Firms who are migrating to digital solutions and the cloud to create accounting efficiencies should make sure auditors have access to their accounting software as well.

5. Reduce Interruptions

Every job has interruptions that can take a heavy toll on productivity and overall efficiency. Accountants who are juggling several clients know this all too well. A study by Forbes found that 71% of workers get interrupted frequently during the day. For tax accountants, a report found that task interruptions distract them from their goal (minimizing their clients' tax liability). Frequent interruptions exacerbated their initial motivations, driving them towards more aggressive tax compliance positioning for their clients.

What can accountants do to minimize distractions and boost efficiency?

- Check your general ledger weekly as a proactive measure
- Block schedule your time so you are dedicated to the task at hand
- Automate manual, redundant processes like payroll
- Use time clock software to reduce procrastination in remote working
- Minimize in-person distractions
- Schedule time for complex questions and non-urgent communication
- Set times for team building to boost overall productivity

## Q6 What strategies do you use to deal with interruptions? Choose up to three options.

ANSWER CHOICES	RESPONSES
Changing notification settings	44.48%
Using "do not disturb" mode in apps	28.71%
Physically separating yourself from coworkers	33.75%
Scheduling heads down time	23.03%
Wearing headphones to signal that you shouldn't be disturbed	48.26%
Telling coworkers that you're busy and will have to talk later	20.19%
Other (please specify)	11.67%

Image Source

6. Cybersecurity Precautions

Accountants are holding on to very sensitive and private client information that can't be compromised. Unfortunately, fraud and cybersecurity risks have accelerated with the onset of the global pandemic. 77% of employees have observed an increase in the level of fraud since COVID-19 began. Of that group, 55% of respondents were from banking, financial services, government, and professional services organizations.

Fraud risk isn't helped by the fact that many businesses didn't anticipate transitioning any workers to remote environments and weren't at all prepared for it. Employees didn't have their usual safeguards in place to protect them from fraud when accessing sensitive data at home. Additionally, many businesses had to scale back their workforce, which puts more responsibility on the remaining employees, increasing the chance of human error.
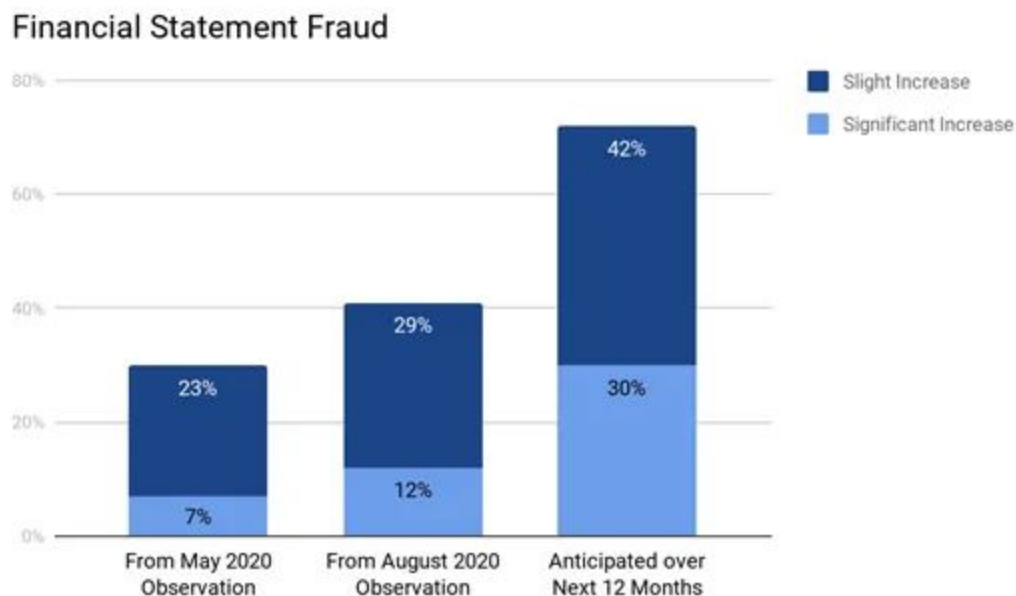
Image Source

Accountants help clients detect and prevent accounting fraud. Streamlining internal controls with digital solutions can help *automatically* prevent, detect, and mitigate instances of fraud. As an added layer of protection, CPAs and industry leaders who want to demonstrate their expertise in financial forensic accounting should consider getting certified in Financial Forensics (CFF®) with AICPA.

How to Communicate New Efficiency Procedures

As you build out new workflows or streamline current ones, they must be communicated effectively with all stakeholders. Be sure to share the policies and procedures in place to establish that the firm will be complying with them. Another important step is collaboratively

defining roles for each particular workflow. Each person involved in a workflow should have their individual goals and responsibilities, and also need to see how they fit into the bigger picture.

Continuously Improve Your Efficiency

Efficiency is not a stagnant goal. As you grow your client base and expand service offerings, new workflows will be introduced into your ecosystem. An example of changing workflows is the introduction of the Paycheck Protection Program (PPP) loan in 2020. The introduction of this loan is a new financial liability that accountants must be aware of and [potentially introduce guidance](#) on for their existing workflows.

Be mindful of how new changes will affect your existing processes and what steps you can take to automate them. Taking the proper steps now to improve your accounting efficiencies using the above steps will position your firm to minimize friction, remove roadblocks, and create a more seamless experience for your clients.

Meta Description:
Accounting efficiency is crucial, but challenging for accountants to achieve when juggling multiple clients in a quickly changing corporate world. Here are 6 ways to make your accounting department more efficient.

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Whether expanding your client base, service offerings, or adapting company processes to a fast-changing corporate landscape, accounting efficiency is key to accomplishing your goals. Here's how to make your accounting department more efficient.