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Client Portal Opportunities
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More and more firms are transitioning towards a digital environment, where all files are stored in an electronic format. These same firms are finding out that requesting information from clients and returning documents back to those clients in a digital format streamlines production processes and makes documents more accessible to those that need them, when and whenever they are needed. Today, there are many options for delivering these digital documents including digital fax, e-mail, and physical delivery of CDs and USB fobs, but these solutions are expected to be eclipsed in the near future by today's client portal solutions that provide more secure access and better control of documents.

According to the 2008 Association for Accounting Administration (AAA) Client Transfer Survey (www.CPAAAdmin.org), e-mail was the most common tool utilized by firms today for transferring files both to and from clients. The majority (77 percent) of the 74 survey respondents used e-mail for this purpose and 74 percent also said they would forward documents to other outside parties at the request of clients. Unfortunately, e-mail is not the most secure method of transferring files as it must often pass through multiple servers outside of the firm's control before being delivered to the recipient. While 41 percent of firms also utilized passwords or encryption for documents, this was mostly passwords contained within

Adobe, Microsoft Word and Microsoft Excel, which most experts feel do not have the strongest encryption, since tools that can strip off or crack these passwords are easily available.

The survey found that 39 percent of firms had a digital fax solution in place, which was an easy tool to utilize for small documents already in a paper format. With most businesses also having access to e-mail and PDF applications, the number of faxes being sent is declining as these organizations utilize e-mail, portals and file transfer protocol (FTP) sites instead. Also, 73 percent of firms stated that they still had clients deliver information on CDs, Zip Disks and USB drives, often because these files were too large to be transferred via e-mail due to file size limitations either from the client or the firm. In addition, firms had to deal with either returning or disposing of this media once they downloaded the data. Portals and FTP sites solve this problem, as there are virtually no limits on the size of files that can be transferred so they can handle large QuickBooks files or audit binders in PDF format. Unfortunately, many FTP products require the creation of individual accounts, which usually takes more technical skills to set up. Also, since most of these tools do not integrate with the firm's document management product, staff needs to load and train on an additional application.

This leads up to today's recommended solution for transferring client files: client portals. Client portals are secure data directories accessed through an Internet connection that may either reside within the firm's servers or through a hosted service provider. Most often they are accessed through the firm's Web site via a logon (often the client's e-mail address) and password. If properly implemented, once the user is logged-in, they are able to access only the data directories that they have been authorized to see and not any other client's files or directories. Some FTP tools can lead to inadvertently exposing client data to unattended recipients that may also be logging in to transfer files, so it is important to evaluate the setup procedures required by the various tools and

determine who would have the necessary skills to do the setup for both the portal and the adding of new client accounts.

The AAA survey found that two thirds of the firms utilized administrative personnel to set up client accounts; 19 percent of firms allowed tax and audit professional staff set up accounts, and in 34 percent of firms, the IT staff were asked to do so. Ease of setup and use is a critical client portal feature for firms to evaluate, and those that are integrated with the firm's document management application receive the highest marks. Just over one third of recipients were using the CCH ProFx Portal that integrates with CCH ProFx Document Management. This was followed by 19 percent of recipients using the Thomson GoFileRoom DM/Portal or Creative Solutions Virtual Office products. The remaining firms were using tools such as SharePoint (build your own), Mozilla and Service2Client to name a few.

The survey found that 43 percent of the firms already had a client portal in place, with slightly more using an externally hosted solution as those that were hosting their own internally. While most of these firms had set up fewer than 10 percent of their existing clients (generally their largest clients), they felt this percentage would increase as the need to use the portal with other clients expanded. Within the firms that did not have a portal in place, 55 percent had plans to add one during 2008, so the trend towards this solution is obvious.

As mentioned above, ease of use for both clients and firm personnel is a critical feature and is optimized by having a portal solution that integrates natively with the firm's document management application. In addition, firms should consider evaluating the following features of the various portal products:

- 1 Bi-Directional Transfer: Files should be able to be seamlessly transferred both to and from clients, with a product that is easy for clients to utilize.

1 Notification/Audit Trail: Firms should evaluate how the portal product notifies the firm/employee when a file is uploaded and what type of audit trail is kept as to who accessed the files and when they were transferred.

1 Logon Provisioning: As clients log-on, they should be able to view all of their accounts with a single logon. If they own multiple entities, they should be able to see them all, while their employees within each entity should only be able to see those directories that they have been provisioned to access.

1 Security: IT personnel should review the security setup as well as review policies, procedures and training required for both personnel and clients.

1 Viewing Capabilities: Some portals allow files to be accessed in a read-only mode, while others allow the native (editable) file to be available for read and write capabilities; most firms will want both these capabilities.

1 Cost: Different products charge based on a flat license, number of clients and volume of storage, so it is imperative that firms project what their needs are for both setup and annual maintenance with growth projected for the next three years.

The "less-paper" drive within our profession will push all information to a digital environment that makes information available to firms and clients at their convenience. Client portals will provide the most robust solution with the best security, so firms should evaluate them now and plan on implementing them before the next busy season.

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