



# On the edge, but not bleeding

An inside look at 10 of the most tech-savvy practices in accounting

By Chris Gaetano, Daniel Hood and Danielle Lee

Cloud computing. Robotic process automation. Artificial intelligence. Data analytics. These things, once on the bleeding edge of accounting technology, can now be found everywhere, from the biggest international firm to the smallest local practice. That the profession is driven not by paper and pen but by bits and bytes can no longer be in doubt: This is a technological profession for a technological age, a far cry from the days when just putting up a website was seen as the height of sophistication.

And so more than just technology itself, what differentiates accounting firms is their approach to how tech can be used for both the firm itself and its clients. This year's cohort of Best Firms for Technology are not manic early adopters buying into tech for tech's sake but, rather, they take holistic approaches that ask seriously how an investment will improve internal processes and client engagements. They stand as examples of not just creating a tech-forward firm, but doing so in a measured way with an eye toward what new technologies mean on a pragmatic level.

With that, we give you the members of the 2022 Best Firms for Technology.

### Acuity CFO

**HQ:** Atlanta

**Employees:** 150

**No. of offices:** 0

While many firms are still working to find the right balance between remote and on-site work, AcuityCFO stands as a fully virtual cloud accounting firm that has exactly zero physical offices and, as a consequence, is also 100% paperless. With a completely virtual staff, the firm has employees across the nation, and even a few in foreign countries as well.

By the very nature of the firm, AcuityCFO has worked technology into virtually every process, and is highly automated as a result. Data is entered once, then automatically flows through the whole firm, triggering further automated actions that free up time from routine processes like client billing. This is part of its overall approach to technology, as it aims to automate as much as possible in both its internal processes and client engagements.

"Our strategy is to actively automate internal and client work to optimize each person in our company," said chief technology officer Scott Scharf, "so they can

focus on the highest-level tasks and communications, where they have plenty of time to think and provide guidance to our clients."

The company also maintains robust relations with a wide variety of technology developers and solution providers through participation in multiple partnership advisory councils. It counts well-known software companies like Xero, Intuit, VerifyIQ, Gusto, Justworks, Expensify, Veem, Bill.com, Divvy, Avalara, A2X, SaasOptics and Jirav among its partners. These partnerships allow the firm to stay abreast of new developments that can further help both themselves and their clients be more efficient.

"We have deep relationships with our primary partners; usually we are on a partner advisory council, and know about changes before they are released. We are better able to support our clients and the changing technology landscape by continually reviewing the optimization," said Scharf.

### Armanino

**HQ:** San Ramon, California

**Partners/employees:** 205/1,957

**% of budget devoted to tech:** 22% (including staff salaries)

This Top 25 Firm demonstrates what it means to be truly serious about being a tech-forward firm through the way its resources have been deployed in terms of both employee and client experiences. Its leaders have devoted an astounding 22% of its budget to technology, a sum that, even though it includes staff salaries, is nonetheless far above that of most other firms.

While many are still wondering what technologies like blockchain, AI and robotic process automation will mean for the profession, Armanino has already deployed these innovations in client engagements and education. For example, the firm recently held a live demonstration of an AI model that predicts with 98% accuracy the risk that a customer may plan to leave a business.

The firm was able to do this through deliberately instilling a tech-oriented firm culture with initiatives like its Transformation Committee that leads tech investments and implementations via a self-styled "run, grow, transform" model, as well as reorienting its recruitment process toward candidates with technological aptitude.

This forward-facing-yet-measured attitude has given the firm a practical view on technology, with leaders framing advancements in terms of overall performance

improvements, versus looking to solve specific obstacles, to encourage long-term sustainable solutions that are less likely to be obsolete in the near future.

"The first question for any potential technology investment asks what it will do for clients and the employee experience. When assessing the answer, decision-makers must always consider how data is handled and its spectrum of sensitivity," said chief information officer Gary Baumgartner.

Having seen what this mindset of deliberate but steady progress has done for the firm, Baumgartner said the firm's professionals also work to instill it in clients.

"The path to leveraging AI, RPA and e-commerce is dependent on business leaders understanding what the technology is doing for them, why it's part of their digital transformation roadmap, and how their people will adapt, rather than just implementing technology for technology's sake," he said.

### Berdon

**HQ:** New York City

**Partners/employees:** 43/377

**% of software that is cloud-based:** 95%

This New York-based Top 100 Firm acknowledges that, like every accounting firm — and most every business — they have been impacted by the technological and economic disruptions of the last few years, but Berdon also goes a step further in its efforts to be a disruptor within its own operations, all as part of its "continuous transformation journey."

That journey operates on many fronts, according to Berdon chief operating officer Rebecca Goodman-Stephens, with the firm's innovation lab serving as a space to experiment with emerging technologies and spark employee ideas, its virtual office "HUB" fostering collaboration within these areas of innovation, and the continuous deployment of the tools that come out of this brainstorming. One recent example are the various bots that Berdon successfully developed and introduced into its tax assembly and family office practice to significantly increase output and free up staff to focus on higher-level tasks.

Even with all the time and resources the firm invests into technology and innovation, it is strategic about prioritizing these projects, channeling the firm's "Berdon Smart" policy in doing a business case value assessment of each new investment. Some of the emerging areas of tech the firm has already run through these assessments and plans to acquire in the next year include RPA and machine learning, cloud-based analytics and an AI platform, and metaverse office use, among others.

These ongoing efforts support Berdon's emphasis on its technology efforts being an ongoing journey — and, like any journey, there are bound to be speedbumps, which the firm is also not afraid to address along the

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way. Goodman-Stephens acknowledged the relative degree of clients' tech-savviness and paperless systems can at times hamper Berdon's future-readiness, but luckily the client experience is a central part of the firm's many strategic tech assessments.

## GO CPA

**HQ:** Boston

**Partners/employees:** 2/18

**% of work product that is digital:** 100%

One key hallmark of a Best Firm for Technology is combining a serious dedication to innovation with a pragmatic attitude toward technology, and Boston-based GO CPA is a perfect example of that.

The firm wants to be at the forefront of technology, but it's still very careful when it comes to prioritizing its tech investments: "We avoid shiny-object syndrome at all costs," explained co-CEO Greg O'Brien. "We realize how difficult it can be for team members to continuously pivot to new software or the 'next thing.' Thus, the 'return on hassle' factor is something that must be considered. Switching constantly hurts morale and is extremely expensive."

In pursuit of its goal of freeing up staff time to focus on higher-value services and of creating a frictionless client experience, the firm isn't afraid to get its hands dirty: For example, it helped shape Soraban, the platform it uses for client portals, questionnaires and open items.

"We have worked extensively with the software developer to customize this software to our firm," said O'Brien. "We have even created our own twist on the client messaging system." And this year it's working on a self-developed dashboard application, and developing a cloud-based app to give clients real-time reporting for tax planning and financial data.

"We are innovators," O'Brien concluded. "From day one, we tell new clients that we are innovating and the experience will be different than their prior firm, and we are proud of that."

## Grant Thornton

**HQ:** Chicago

**Partners/employees:** 606/8,418

**No. of different applications used:** 470

Grant Thornton is not only a consumer of accounting technology but, with the development of several proprietary software solutions already used for both internal processes and client engagements, it is well on its way to being a producer as well.

For instance, in 2020 it developed its patent-pending Alyx digital platform in response to a growing need to identify technological answers to business problems, creating a "concierge-enabled" system that allows for sharing of information with subject-matter specialists and technologists to create new IT solutions. The

platform was further developed in 2021 to provide IT help as well, which the firm so far said has resolved nearly 75% of technical support issues. Based on its success so far, it is now offering the same platform to clients. In the same year, it also launched its new Engagement Delivery Ecosystem platform, which manages all client engagements across all service lines to encourage cross-team collaboration.

Overall, the Top 10 Firm has embraced a concept it calls "productization," which is the development of fully commercial solutions sold through the firm. To this end, it is making an active effort to expand the already large suite of products that it has developed, used and offered, covering everything from SOC reporting to tax compli-

**'We avoid shiny-object syndrome at all costs ... Thus, the 'return on hassle' factor is something that must be considered.'**

ance. Many either already have a patent or are currently patent-pending.

These investments are part of an initiative launched two years ago to develop a "simple, modern, secure" technology infrastructure focused on data, applications, platforms and infrastructure. This has led to changes like the development of a formal technology vendor governance model, gaining new security certifications, and creating a client data platform, among other things.

"From the start, we knew we wanted to do more than just use technology to solve lofty problems with secretive teams," said chief transformation officer Jamie Fowler. "Rather, we wanted to focus on all the business problems an organization might encounter, big and small. And we sought a system where the work of finding the right solution with the right technology would be done out in the open, with accountability and transparency. We arrived at our new approach and came to see it as nothing short of the democratization of ideation."

## Marcum

**HQ:** New York City

**Partners/employees:** 370/2,500+

**How often backup data is tested:** More than once a month

Nearly a decade ago, Marcum was treated to a demo of one of the earliest versions of IBM's Watson AI. While initially skeptical, firm leaders soon came to understand the significance of this development and made heavy investments in machine learning, AI and robotic process automation as part of a larger effort to instill a tech-forward culture within the Top 15 Firm.

Part of how this was done was by introducing innovation workshops throughout all levels of the firm, incorporated into all levels of training, all new hires, and all staff onboarding as part of M&A activity.

"Over time, the entire firm started recalibrating to the tech future we had mapped out," said principal and chief information and digital officer Peter Scavuzzo. "As a result, as we started rolling out new technologies around the country, the willingness to adopt the technology was received much more favorably. The impact of this approach was significant as it allowed Marcum to move at a faster pace, take on larger and more complex projects, and realize the value of compounding technologies much more quickly."

One of the ways this has borne fruit is through the formal creation of Marcum Labs, an in-house technology incubator. The joint collaboration between industry experts, technologists and thought leaders within the firm develops new products, solutions and services for both its own internal use and client engagements. The most successful of these developments become products to sell under the Marcum Technology umbrella, such as its Intelligent Prism and 1099prep.com website.

These efforts are also infused in every client engagement as well. When it comes to advisory services, every single client is reviewed for potential digital enablement and is invited to join a digital accelerator program. Participants go beyond technology basics like cloud finance systems and into deep back-office improvements like automating billings, collections, sales tax, expenses and month-end closings, as well as analytics.

"Marcum believes in empowering its clients by providing them operational peace of mind and timely information, enabling them to meet their business goals. With a digitally enabled model, the relationship between Marcum and its clients is significantly enhanced, creating a seamless working relationship, and effectuating our client's success," said Scavuzzo.

## Market Street Partners

**HQ:** Chattanooga, Tennessee

**Partners/employees:** 3/32

**Avg. no. of computer screens per employee:** 3

At this Tennessee-based firm, "Our first choice for solving problems is through technology and automation," explained director of operations Jessie Blankenship.

Whether that involves resorting to manual workflows only when they're absolutely necessary — and even then keeping on the constant lookout for a better, automated solution — or prioritizing paperless interactions with clients, using everything from portals, e-signature tools and electronic invoicing to accepting ACH and credit card payments, prioritizing technological answers means the firm has a clear idea of what it wants in a solution.

"Technology is a key focus area for us and is critical to



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our growth plan," said Blankenship. "We cannot grow our business well if our tech stack is not equipped to scale with us and with our clients. When looking at technology solutions, our default expectation is that they are cloud-based, secure, user-friendly, and have a modern visual interface."

As you might expect, fully 97% of the applications the firm uses are cloud-based and more than 90% of their workflows are paperless; at the same time, all of their staff are equipped with laptops, and they have an average of three screens per person.

And, like all of this year's Best Firms for Technology, Market Street Partners isn't letting itself stagnate: This year, Blankenship said, the firm plans to upgrade its practice management software, and to implement an integration between its workflow software and its tax preparation tool.

"We are highly committed to leveraging technology to save time and solve key issues. We are regularly updating our tech stack as new products and upgrades hit the market," she said. "As a progress-driven firm, we believe that we are uniquely positioned to embrace new technol-

ogy as a key part of our growth strategy."

## MBS Accountancy Corp.

**HQ:** Fresno, California

**Partners/employees:** 1/10

**Avg. hours of tech training per employee per year:** 70

It's not always about the size of the tech stack, but how it is used, as the CEO of Fresno, California-based MBS Accountancy Corp. Cassidy Jakovickas puts it, explaining that he values progression and open communication as two critical facets of a tech-forward firm. "In every aspect of my role, I endeavor to model an attitude of continuous improvement because I believe it's the essence of innovation," he explained. "I also encourage constructive feedback and suggestions from everyone in my firm because I realize that the best ideas can truly come from anywhere."

Despite Jakovickas' sentiment, MBS still implements an impressive array of industry-leading software, but does wield it wisely, for everything from team-specific communication and bill pay to appointment scheduling and asynchronous video sharing with clients.

Guiding this tech selection are the firm's priorities of efficiency, security and user experience. Using this criteria, MBS already plans over the next year to upgrade to a cloud-based document management system (helping reach the firm's goal of being 100% cloud-based), to integrate applicant tracking software into its hiring process, and to expand all staff workstations to three to four monitors.

MBS doesn't just offer the latest tools, but the necessary training to ensure they are utilized smartly and efficiently. "As software and accounting evolve, I work hard to ensure my staff is sufficiently trained and supported to do their best work," Jakovickas explained.

## Mowery & Schoenfeld

**HQ:** Lincolnshire, Illinois

**Partners/employees:** 16/91

**Avg. no. of computer screens per employee:** 4

No matter how cutting edge your technology is, it won't make a difference if staff aren't using it — which is why it's important that firms prioritize tech in both their high-level strategy and in their culture.

"We are drawn to solutions that are highly scalable and preferably cloud-based, keeping in line with our growth strategies," said director of IT Chris Madden. "We anticipate continued growth at a fast pace and need our IT to keep up. We approach all technology positions by first reviewing our three-to-five-year vision, and planning our IT strategy accordingly."

But taking that long-term perspective into account is only part of the process, he explained, since staff also play a role in examining new solutions: "We form committees when researching new software, letting our team

drive the decisions that will affect them in their daily work. We are always open to requests and suggestions."

"We are naturally a younger firm, with an inclination toward technology," he continued, "and we ensure high visibility for technology in our firm and as part of our growth initiatives." Mowery & Schoenfeld bears that culture in mind in both its M&A and its hiring, to say nothing of its active security awareness training, frequent tech updates, and the quarterly tech webinars for its team — and its clients.

Those webinars aren't the only way the firm highlights its tech-forward culture for clients, though: Through its subsidiary, Mowery & Schoenfeld Technology Services, it offers full managed IT services, and has helped many clients go remote and manage their IT and security through the pandemic and beyond.

## WilkinGuttenplan

**HQ:** East Brunswick, New Jersey

**Partners/employees:** 22/109

**% of workflows that are paperless:** 91-100%

The idea of "failing fast" is more the mantra of a tech startup than a CPA firm, but East Brunswick, New Jersey-based WilkinGuttenplan has successfully applied this Silicon Valley ethos into its own strategy. In 2020, the firm's innovation council decided that the firm's manual confirmation processes needed improving, and brought in an outside vendor to streamline the process. That partnership only worsened the firm's operations, however, leaving its leadership to think — and act — quickly.

"Instead of giving up, we went back to the drawing board and determined what exactly we needed, what had gone wrong, and how we could do better," explained IT director and principal Tom Hasard, which led the firm to developing its own platform internally, to "overwhelmingly positive feedback."

"While this isn't a traditional example of technology success, it demonstrates a willingness to fail and learn that is critical to long-term growth," Hasard said. It also calls upon another, more time-tested adage: If you want something done right, do it yourself.

Still, the firm overwhelmingly relies on leading tech vendors to provide best-in-breed software for its core business applications, with plans to stay ahead of the innovation curve by systematically upgrading its workstations with the latest solutions. WilkinGuttenplan also ensures that these tools all work together in a connected ecosystem that is overseen by its IT steering committee, which works in collaboration with its innovation council.

These groups keep the firm agile, according to Hasard, creating a "combination of grassroots innovation and deep management support [that] allows us to pursue new technologies and ideas aggressively without having to navigate buy-in challenges either from above or below." **AT**

## The honor roll

### The Best Firms for Technology — 2021

Anderson ZurMuehlen

Aronson

Dark Horse CPAs

EisnerAmper

Janover

Lance CPA

LBMC

Marin & Montanye

Marks Paneth (since merged with CBIZ)

OUM & Co. (since merged with Withum)

### The Best Firms for Technology — 2020

Anderson ZurMuehlen

Baldwin CPAs

Bean Counter 4 Hire

BMSS

Club Capital

ConnectCPA

Deloitte — U.S. Audit & Assurance business

The Digital CPA

Hawkins Accounting

High Rock Accounting

Maddocks + Mallett

Schellman & Co.