MBE CPAs Uses PracticeERP + NetSuite to Support Its Growing Practice

Growing CPA firm ditches its legacy systems and spreadsheets

in favor of a cloud enterprise resource planning system that's tailor-made for the accounting industry.

Today's CPA firms need innovative dashboards, reporting capabilities and customer relationship management (CRM) tools in order to boost sales performance, improve productivity, generate accurate reports and reduce IT costs. As their client bases expand and as the complexities of financial accounting grow, these inefficiencies can take a major toll on a firm's bottom line.

"The pain point on every CPA firm's mind right now is rapid law change," said Tim Moy, CPA, Managing Partner of MBE CPAs, a professional accounting firm with 11 offices in Wisconsin.

"The legacy software companies have not innovated their ERP systems and none have developed good dashboarding. I can't think of any software program that I use that boils it down to a dashboard. I'd get a bunch of Excel reports every week that I had to manage from."

Tim Moy, CPA, Managing Partner, MBE CPAs

> The reporting and dashboards in PracticeERP save me **5 hours a week.** I can keep the reports and customize them to each partner's specifications. Real-time data at the click of a button.
>
> Kali Burmester, MBE
> Saving 260 hours annually

Practice ERP

> ## "With PracticeERP in place, the platform's dashboards are knocking the socks off the practice management side of our business."
>
> Tim Moy, CPA, Managing Partner, MBE CPAs

Some of the laws that are currently going through the regulatory approval process, for example, include rules that will be retroactive to January 2020. *"That changes the rules backwards by over 15 months,"* said Moy.

Managing those changes won't be easy for CPA firms whose technology and workflows are stuck in the dark ages.

Addressing Key Industry Challenges

Historically, MBE CPAs have used CCH software for timekeeping and billing, XCM for workflow management, and Abel's industry-specific CRM.

"We had to accumulate our time by client, dump that data into Excel spreadsheets, and then create a PDF for the manager," Moy explained. *"That manager then went through it and marked up the PDF and we'd retain a summary on a spreadsheet."*

Because they have no collateral on their accounts receivables, firms like MBE CPAs also grapple with aging A/R that extends past typical thresholds. In fact, Moy said it's fairly common for 20%-35% of open invoices to extend out over 90 days.

"Our industry is historically very bad at managing A/R," said Moy. *"It's not just about payment process optimization, we also want to use simple functions like automated reminders or a reminder to a billing manager to follow-up with a phone call."*

Moy sees practice management—or the management of the front and back office operations for accounting firms—as another business area that's ripe for innovation.

"It seems like our industry can't evolve when it comes to practice management," said Moy, whose team recently went in search of a unified, cloud-based enterprise resource planning (ERP) solution to help solve these and other challenges.

Finding the Answer in PracticeERP + NetSuite

PracticeERP was developed by NetSuite Partner goVirtualOffice for CPA firms that are grappling with too many spreadsheets, manual processes, and disparate systems. It extends NetSuite functionality to help companies boost sales, enhance productivity, access better information, and reduce their IT costs.

By delivering a complete software suite for accounting firms, PracticeERP helps companies connect the dots across CRM, client services, workflow/task management, time/expense tracking, work in progress, billing automation, accounting, financial and business intelligence. The solution also includes a dashboard that CPA firms' clients can use to view accounts receivable and print customer statements, pay invoices online, and submit customer support questions.

Practice ERP

www.PracticeERP.com

Moy was also looking forward to leveraging PracticeERP's real-time reporting capabilities, and the ability to filter and drill down into data that's historically been stored on Excel spreadsheets.

"Every Monday we run a bunch of reports, distribute them, and then use them to report on individual performance," said Moy. *"It's nice to be able to share that data in real-time so that our associates are 'living' it every day, versus waiting for a report."*

Moy sees MBE CPAs' new ERP system breaking down some of the operational silos across his company's 11 locations. Time, billing, forecasting, and practice management are four areas he's particularly interested in improving.

Fixing Key Pain Points

Like many CPA firms, MBE CPAs had an accounting solution in place before it implemented PracticeERP, but because its time and billing weren't connected, employees spent a lot of time doing journal entries into the company's general ledger (GL) software.

"PracticeERP has fixed this pain point," said Moy *"while also helping us create more accurate forecasts and projections based on real-time data."*

PracticeERP also helps MBE CPAs manage what Moy calls *"workflow compression,"* or the ability to tackle multiple tasks on a single software platform. It also tracks the company's top key performance indicators (KPIs): utilization (billable hours versus total hours worked), realization (actual per-hour client charges), leverage (total hours worked per partner), production per employee and net income per partner (what the average partner makes compared to the broader industry, in dollars).

"In the end, that net income per partner or 'NIPP' in dollars is what really should be driving all decisions," said Moy. *"A lot of firms can tell you what their margin is, which is just the net revenue for all partners divided by the gross, but they can't tell you what their NIPP is, and that's actually what matters."*

With PracticeERP and NetSuite in place, MBE CPAs' managers have the data and dashboards to be able to review the company's progress and make better forward-looking decisions based on these core KPIs. *"In the accounting world, predicting future revenues is difficult,"* said Moy.

"The ability to track clients through CRM, and then have a dashboard of predicted upcoming revenue based on new clients added or lost, is huge."

MBE CPAs

Company Snapshot

Company: MBE CPAs
Industry: Accounting Services
Location: Baraboo, WI

Practice ERP -by- **EgoVirtualOffice**
Location: Madison, WI