Five Ways to Manage Firm Risks through IT Leadership

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There was a time when the main function of IT in an accounting department was to keep the machines running. Change was slow, and decisions were made by a group of partners and handed down to the IT department to implement. Today, firms face risks that cannot be addressed in such an environment. From the risks of data breaches to mobile computing to being unable to efficiently handle client needs in an increasingly commoditized profession, the partner group in most CPA firms simply does not have the time to keep up with rapidly changing technology.

Today, the most successful firms have CIOs to take that burden off of their plates, so partners are freed up to focus on other areas of the firm. However, to really bring about innovation and efficiency that will drive the next level growth of your firm, filling that position is just the beginning. Firm leaders also need to give their CIOs the tools and resources to help IT drive business growth. Below are five strategies to get you started.

Technology review

Why hire a technology consultant when you already have an IT team in place? Sometimes, firm leadership expects their IT teams to do everything faster and cheaper, without any real understanding of what really needs to be done or how much time and money it will take. IT consultants can bring in an unbiased, expert opinion on IT staffing levels and help the firm focus on projects and priorities. They help technology and business get on the same page, removing the roadblocks to communication that inevitably crop up.

IT vision and strategic plan

Without an IT vision, firms lose their best talent, fail to grow, and generally have inefficient processes that add little or no value. After your firm conducts a technology review, it's time to update your IT vision and strategic plan. When IT's management is reactionary or manages to a budget, the firm may spend the minimum amount required to maintain existing systems or fail to anticipate growth. When IT management starts with a vision, they perform at an entirely different level than reactionary or budget-focused firms. They certainly have budgets, but they are able to focus those limited resources on priorities and maximize their return on investment.

Every firm should have an IT strategic plan and it should be in alignment with the firm's strategic plan. This will provide direction for the most vital growth initiatives and is the primary driver of technology decisions. Development of the technology strategic plan is not the sole responsibility of the CIO or

the IT team. It requires collaboration with both partners and staff to ensure tech decisions and investments are in line with the firm's strategic objectives.

Peer communities

Being in charge of IT in an accounting firm can feel like being marooned on an island. It's hard to keep pace with the changing times when you're all alone. Peer networks are a place to get off of that island. Joining a peer community brings in fresh perspectives and ideas that can push a firm beyond its old boundaries. When members share knowledge and experience, are comfortable asking important questions, and can be set straight when they're going off track, the firm and the profession as a whole improve.

The Boomer Technology Circles™ bring together firm and IT leaders so both can gain confidence that they are making the right technology decisions. Other communities bring people together, but what sets the Boomer Technology Circles apart is trust and accountability. Our members know that they can be vulnerable and talk not just about their successes, but also about things that didn't go as well or were harder than they should have been. These honest conversations generate a lot of lessons learned. Often, other groups share experiences only through rose-colored glasses – building a picture of what they want others to see rather than the way things really are. It takes courage and trust to admit that not everything goes according to plan.

We have also found that sharing projects, action steps due dates and results with peers strengthen commitment to goals. It's difficult to tell peers that the ball was dropped, especially when those peers are expecting to hear about lessons learned. The accountability conversations that come from a peer community helps keep projects moving forward, making achieving progress exponentially more likely.

Business intelligence

Accounting firms collect a lot of data but rarely is that data turned into useful, actionable information. When firms invest in business intelligence, IT can develop that data into a strategic asset. The future state of a successful firm includes having a single, consolidated database of record. Aggregating data from disparate sources is difficult and simply won't allow users to build a complete picture.

When information from tax, audit, advisory, marketing, finance and every other source within the firm is pulled together, accessible and analyzed, it can provide enormous insight and foresight into your decision-making process.

Technology steering committee

Does your firm simply throw projects at IT without any idea how much time and effort the project will take or any regard for which projects have priority and should have the most and best resources assigned to them? When firm leaders think of projects as "IT projects" instead of "firm projects," they

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set themselves up for failure. Technology steering committees should be composed of cross-sectional members of the firm to ensure that projects align with strategic plans and sufficient personnel and budgets are assigned.

Firm risks can never be totally eliminated, but they can be reduced and managed when IT leadership is coupled with the resources to execute their vision. The key is to bring together leadership vision and technical knowledge. You don't need to try to take on all of the strategies in this article at the same time. Choose one or two and get started today!