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Why is digital transformation important for your firm and 1040 clients?

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Introduction

What if you could automate data entry into tax software and let AI do 2/3 of the verification? Offer your staff hybrid work options? Auto-retrieve taxpayer documents the same day they're issued? Or even save more than 50% on review time? With SurePrep technology, you can. The question is—what's stopping you?

2020 proved the necessity of digital transformation. In the years since, hybrid offices have become the norm, artificial intelligence has taken off, and the competition for talent is fierce. Change may feel intimidating in an industry defined by consistency and routine, but the price of stagnation is high. Keeping a competitive edge in the new environment means keeping pace with technology, talent trends, and digital disruption.

SurePrep leads the innovation curve in 1040 automation. Our solutions integrate with your existing tax software to streamline the 1040 process for both taxpayer and tax professional.

TaxCaddy is a taxpayer collaboration platform that improves the client experience.

1040SCAN is a scan-and-populate solution that automates workpaper preparation.

SPbinder is a workpaper management system that reduces review time.

Combined, our solutions create a 1040 workflow that is cloud-based from end to end. Our paperless process saves on administrative costs and enables hybrid office options that help you compete in the modern hiring market.

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Here are some immediate advantages you can gain by implementing SurePrep solutions:

- Create a remote-capable 1040 workflow that saves on administrative costs
- Reduce staffing pains and save time by automating manual tasks
- Increase profit margins by improving staff leverage
- Delight clients with technology that reduces tax season stress

Firms of all sizes have successfully optimized their tax return preparation process with SurePrep. Our customers include three of the Big 4, seven of the Top 10, fifty-five of the Top 100, and approximately 2,000 small- to mid-sized firms. Our experienced Client Success Team provides customized onboarding and all SurePrep customers enjoy unlimited lifetime support.

SurePrep's solutions integrate with CCH Axcess Tax, CCH ProSystem *fx* Tax, GoSystem RS, Lacerte, and UltraTax CS.

By combining SurePrep's technology with our own standardized processes and best practices, we effectively addressed some of the most pressing demands on today's accounting and tax firms. Ultimately, this has been a successful example of tax transformation; **we reduced the time spent on inefficient tasks and elevated the role of our tax professionals, all while delivering the highest level of service to our clients."**

—Matt Becker, National Tax Managing Partner with BDO

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Enable a cloud-based workflow

According to [PwC's 2021 remote work survey](#), 72% of executives plan to increase investment in virtual collaboration tools. It makes sense: hybrid work options are trending in today's competitive hiring market. [A 2021 GoodHire survey](#) revealed that 85% of Americans prefer to apply for jobs that offer remote flexibility, while just 15% would apply for a position that requires full-time on-site work. These trends are just as true in the tax and accounting industry, where quality talent is scarce.

SurePrep technology moves the 1040 process to the cloud with bank-grade encryption. Your staff can flex seamlessly between home and on-site offices through authorized workstations. Role-based signoffs and session syncs enable collaboration in shared files to avoid versioning issues. You'll never wonder who made which edits when.

Unlike alternatives, the SurePrep tax process has no gaps. It includes everyone involved in the 1040 process from beginning to end:

Taxpayer > **Admin** > **Preparer** > **Reviewer** > **Taxpayer**

Using SurePrep has allowed us to go fully paperless," said Nate Miller, Partner/Owner with Grimbleby Coleman CPAs. "**It allows our staff to prepare and review from wherever they are**, which is important today with flexible schedules."

Working in the cloud is not just popular with staff—it's more cost effective. The administrative costs of a paper-based process add up. Paper, ink/toner, postage, envelopes, pens, file cabinets, and storage space are all penalties of an analog process. **According to Boomer Consulting Inc., the average cost of a paper binder was $15 to $20 in 2019, before inflation.** And those are just the material costs. Consider the hours admins spend processing paper mail and scanning documents. A digital process eliminates these expenses.

Our main goal was to be free of paper," said David Kelling, CPA and President with Kelling, Bocovich & Co., LTD. "**We finally got that with 1040SCAN**."

A paperless practice also saves time. Authorized users can access electronic workpapers from anywhere and use search to find information instantly. No more rifling through physical folders in file cabinets.

[With SurePrep] you're not having to constantly make that trip to the file room and then flip through a folder," said Ricky Adams, Tax Manager with Bradshaw, Gordon and Clinkscales. "You can just pull it up in 10 to 15 seconds and find whatever you're looking for. I think that's one of the biggest values we've gained."

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SurePrep can transition every phase of your 1040 process to the cloud: gathering, preparation, review, and delivery. Eliminating paper will save you money and improve efficiency. Digital records will take up less space and cut search time. Your team will enjoy the freedom to work securely from anywhere, which will improve happiness and retention. Qualified candidates will move you to the top of their list because you offer flexible options. And if your firm ever needs to make a sudden pivot to fully remote work, you'll be ready.
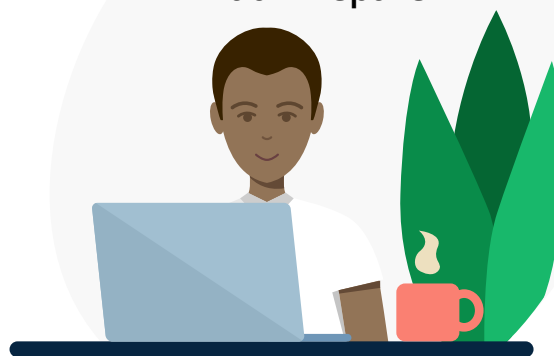
Alice Admin

Tom Taxpayer

Robin Reviewer

TAX PLANNING
For Individuals

TAX PLANNING
For Businesses

Guide To
NESS VALUATIONS

Paul Preparer

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Automate workpaper preparation

Scan-and-populate technology automates workpaper organization and data entry into tax software. Automating data entry frees your preparers to focus on higher value work like tax planning. Standardized workpaper organization saves time for reviewers because binder contents are always in the same order.

However, scan-and-populate solutions vary significantly from vendor to vendor. To make the investment worthwhile, your firm should choose the option that automates the most labor. Technology should replace existing processes—not add new ones.

1040SCAN automates 4–7x as many documents as competitors. Our AI-powered OCR exports more data to your tax software than any other solution. Patented technology auto-verifies OCR data for 2/3 of standard documents. Through integration with SPbinder, 1040SCAN automatically organizes your workpapers into a standardized index that follows the flow of the tax return. No other scan-and-populate solution saves your firm as much time or money.

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Patented auto-verification

It's a best practice to verify OCR data before you export to tax software. Only SurePrep offers auto-verification technology.

Text-layer matching auto-verifies native PDFs. SurePrep's software compares the digital text layer in native PDFs to OCR data. When the two match, there is no need for human verification. The documents your clients download directly from their financial institutions are in native PDF format.

SurePrep's AI engine auto-verifies standard documents of any file type. The engine uses Machine Learning to expand coverage and will grow more effective every tax season.

Combined, these patented technologies auto-verify 65% of standard documents.

Our customers love the meaningful time savings they gain from SurePrep technology.

We dropped about 20% on hours spent processing roughly the same amount of tax returns. **That's a huge savings and an incredible boost in efficiency**." —David Kelling, CPA and President, Kelling, Bocovich & Co., LTD

4–7x as many documents automated

The more documents you can automate, the more time you will save. 1040SCAN's document coverage list is lightyears ahead of the competition.

5x as many documents as CCH ProSystem *fx* Scan

Document & Field Coverage	1040SCAN	P*fx* Scan
Organizer Pages	✔	✖
Source Document Types	40	21
Brokerage Statements	582	119
Exports Margin Interest	✔	✖
Exports Foreign Income	✔	✖
Exports 65+ Other Fields	✔	✖
TaxCaddy Fillable PDFs	✔	✖
Grantor Letters	42	0
State K-1s	22	0

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4x as many documents as Lacerte Tax Scan & Import

Document & Field Coverage	1040SCAN	Lacerte TSI
Organizer Pages	✔	✖
Source Document Types	40	11
Brokerage Statements	582	136
Exports Margin Interest	✔	✖
Exports Investment Fees	✔	✖
Exports Foreign Income	✔	✖
Exports 65+ Other Fields	✔	✖
TaxCaddy Fillable PDFs	✔	✖
Grantor Letters	42	0
State K-1s	22	0

7x as many documents as UltraTax Source Document Processing

Document & Field Coverage	1040SCAN	UltraTax SDP
Organizer Pages	✔	✘
Source Document Types	39	35
Brokerage Statements	582	60
Exports Margin Interest	✔	✘
Exports Investment Fees	✔	✘
Exports Foreign Income	✔	✘
Exports 65+ Other Fields	✔	✘
TaxCaddy Fillable PDFs	✔	✘
Grantor Letters	42	0

In addition to recognizing more documents, 1040SCAN exports margin interest, investment fees, foreign income and over 65 other fields.

" With 1040SCAN PRO I'd say that **I easily saved 50-75% of my time**," noted Susan Shusko, head of Shusko Associates, LLP.

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1040SCAN is available in 3 service levels:

1040SCAN ORGANIZE automatically bookmarks and organizes tax workpapers into a standardized index.
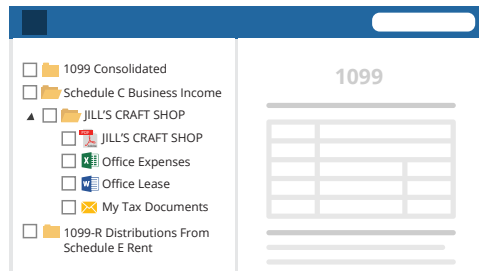
1040SCAN PRO organizes workpapers and uses OCR to automate data entry into tax software.
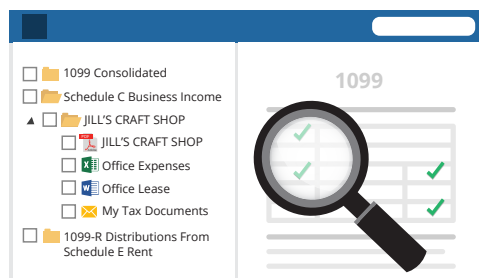
1040SCANverify is a combination of software and service. Our software organizes workpapers and extracts data with OCR. Professionally trained SurePrep staff verify the OCR data before it exports to your tax software.
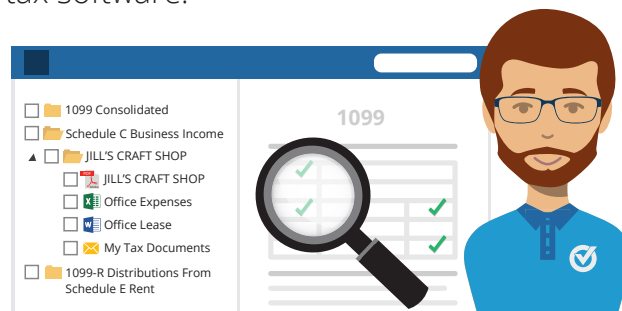
> There's no doubt in my mind that **our turnaround time... and our realization across the board is better**," said Ricky Adams, Tax Manager at Bradshaw, Gordon & Clinkscales, a BDO Alliance USA member.

Maximize review efficiency

One minute of reviewer time is more expensive than one minute of preparer time. If you reduce your ratio of reviewer to preparer time, you will save money. In tax preparation, we call this leverage. The lower your reviewer ratio, the higher your leverage.

To achieve a high-leverage staffing model, your firm needs to maximize review efficiency. SurePrep designed SPbinder with review efficiency in mind. SPbinder is a workpaper management system with built-in preparation and review tools. Here are just a few ways this advanced system can increase your leverage:

Hyperlinked cross-references. Preparers use the cross-reference tool to create one-click links between amounts and their sources. This means reviewers never need to spend time rifling through the binder just to locate where a preparer sourced an amount.
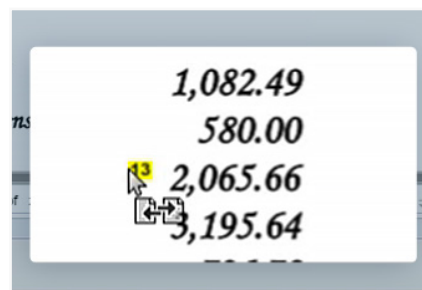

> **You're not questioning where people got the information**," said Cindy Bupp, manager with Huth Thompson LLP.

A standardized index. SPbinder pairs with 1040SCAN to automatically bookmark and organize your workpapers into a standardized index that follows the flow of the tax return. When workpapers are always in the same order, reviewers spend less time looking for what they need.

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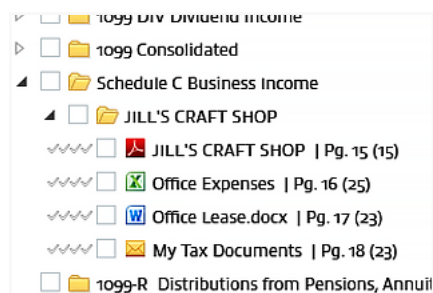
SPbinder's review tree. Every time a preparer takes a meaningful action, like appending calculator tape or signing off on a workpaper, SPbinder automatically adds that item to the review tree. When the binder enters review, every item that needs attention is one click away in this dynamic to-do list.
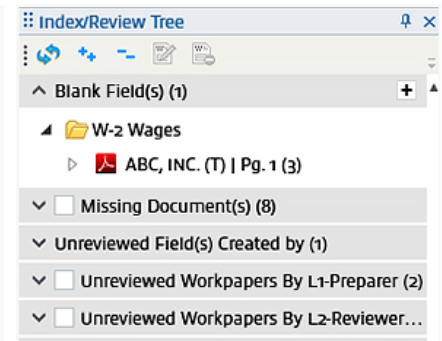

Role-based signoffs. Your firm can enable up to four role-based signoff levels. If a preparer makes a change to a workpaper after a reviewer signs off, the signoff will reset to the preparer level. When the reviewer opens the binder, they will see exactly where they left off and any new changes that need review. This saves reviewers from retracing their steps, even if it's been months since they opened the binder.
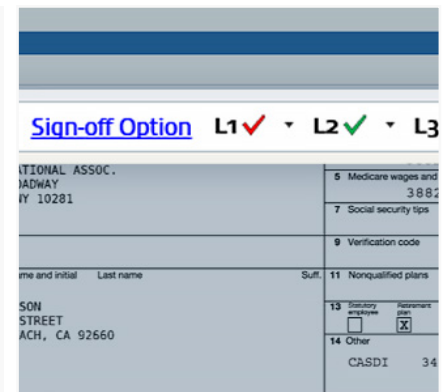

Collaborative note threads. Any user can create hyperlinked cross-references between note threads and workpapers. Others can respond (from anywhere) until an authorized user marks the thread resolved. This quick and precise communication saves time on back-and-forth. Open note threads automatically appear in the review tree.
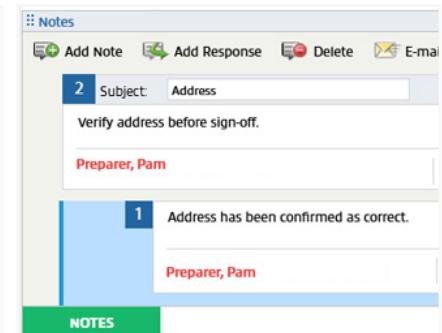
Standardized annotation tools. SPbinder equips preparers with standardized tick marks and markup tools so that reviewers don't spend time interpreting individual styles.
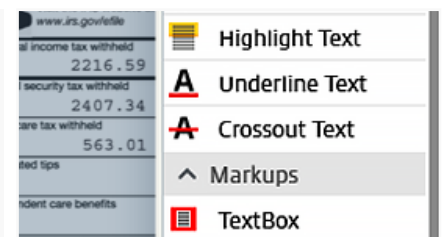
OCR calculator tape. When preparers use SPbinder's click-and-drag OCR to enter data in the calculator, the resulting calculator tape automatically creates hyperlinks between line-items in the calculator and corresponding amounts on the workpaper. Calculator tape automatically appears in the review tree.

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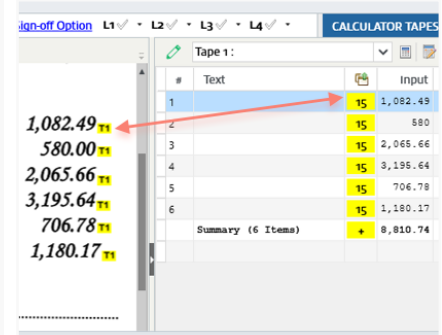
Digital leadsheets. This powerful tool gathers all final amounts in one place for easy top-down review. SPbinder automatically creates hyperlinked cross-references for standard documents and gives preparers the tools to link non-standard documents.

> [With SPbinder] there's more functionality for preparers to document what they're doing and for reviewers to follow what they've done," said Liz Krause, supervisor with McGowen Hurst Clark Smith. "**I think it just saves [reviewers] time being able to fully document everything in one spot.**"
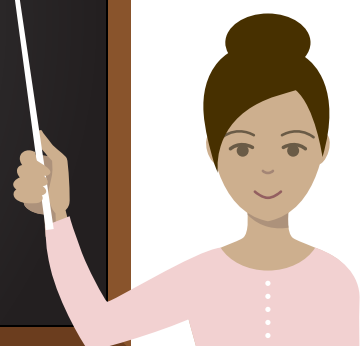
Successful leverage examples

SPbinder equips preparers with advanced tools to prepare a more complete binder. While this shortens review time, you may have intuited that it adds more time to workpaper preparation. Don't worry; your profit margins still come out ahead. Consider these two factors:

1. **Preparation time is still shorter overall** due to automated data entry, auto-verification, and automatic workpaper organization with 1040SCAN.

2. Even if your preparers spend more time inside the binder, the resulting decrease in reviewer time yields a cost savings return overall.

Let's look at two examples that illustrate why factor #2 makes good mathematical sense. For simplicity's sake, these examples will only analyze hours spent inside the binder . Remember, these preparers already saved significant time by automating their most manual tasks: binder assembly and data entry into tax software.

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	Hourly Cost			
Partner	$200			
Preparer	$39	**Hours**		

	Scenario 1	Scenario 2	Change
Partner	1.5	1	-33%
Preparer	5	6	20%
Total Hours	6.5	7	8%
Fees Billed	$800	$800	
Cost	$495	$434	-12%
Profit	$305	$366	$61
Profit %	42%	50%	19%
Rate per Hour	$123	$114	-7%

In the image above, Robin Reviewer shows us a tax return prepared by a two-person team: one preparer and one partner. The "Cost" is what the accounting firm spends on billable hours for each role. Billing rates are indicated in the upper left and are based on yearly salaries of $332,800 and $65,000, respectively.

Scenario 1 shows a low-leverage model. In this scenario, the firm is not using SPbinder to reduce review time.

Scenario 2 shows a high-leverage model. In this scenario, the firm uses SPbinder.

In scenario 2, the preparer spends 1 extra hour in the binder (a 20% time increase) while the reviewer spends 30 minutes less (a 33% time decrease). The net increase in engagement is 8%, which drops the rate per hour realized by 7%. **But look at the profit margin: it skyrockets by 19%.** Once again, this margin increase is only for time-in-binder. The firm already saved preparer hours by automating the data entry and binder assembly. Big picture profit boosts are even higher.

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Is this example realistic? Obviously, total hours per return and billing rates vary widely. But in Robin's examples, we've understated the savings our customers gain from using SPbinder. Many customers report spending less than half the time on review than they did before implementation. In Robin's example, we only reduced partner time by a third.

❝❝ I now have a fully cross-referenced and fully-bookmarked tax file," said Brad Beasley, partner with Beasley, Mitchell & Co. "**Where I would usually spend 15, 20, 30 minutes looking at a return, now I'm spending 5 to 10.**"

Hourly Cost				
Partner	$200			
Reviewer	$65	**Hours**		
Preparer	$39			
		Scenario 1	Scenario 2	Change
Partner		1.5	1	-33%
Reviewer		3	2.25	-25%
Preparer		5	6.5	30%
Total Hours		9.5	9.75	3%
Fees Billed		$1,200	$1,200	
Cost		$690	$600	-13%
Profit		$510	$600	$90
Profit %		43%	50%	16%
Rate per Hour		$126	$123	-3%

In the image above, Robin shows us a tax return prepared by a three-person team: one preparer, one reviewer and one partner.

Scenario 1 shows a low-leverage model. In this scenario, the firm is not using SPbinder to reduce review time.

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Scenario 2 shows a high-leverage model. In this scenario, the firm uses SPbinder.

In scenario 2, the preparer spends an extra 1.5 hours in the binder (a time increase of 30%). The reviewer spends 45 minutes less (-25%), and the partner spends 30 minutes less (-33%).

The net increase in total engagement hours is 3% and decrease in rate per hour is 3%. But the profit margin? A stunning 16% increase. That's the power of leverage.

Other solutions?

Can other solutions on the market achieve these same results? No.

Other solutions tend to fall into three categories:

1. **Adobe Acrobat plug-ins.** For example, PDFlyer by CCH. These add some functionality to Adobe Acrobat, but don't approach the range of features available in SPbinder. Most significantly, they require users to convert all workpapers to PDF, which adds a time-consuming step and locks editing. SPbinder accepts PDFs, Word, Excel, TIFF, and email documents.

2. **Trial balance software.** For example, Thomson Reuters Workpapers CS or CCH Engagement. These solutions are not designed for 1040 preparation. "Off label" use requires confusing and inefficient workarounds.

3. **Generic document management systems.** For example, eFileCabinet or SmartVault. Document management systems are good file storage systems, but they offer limited or no tax preparation features.

SPbinder is the only workpaper management system purpose-built for 1040 tax preparation.

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Improve client service

Historically, tax season began with firms mailing bulky paper organizers to clients. These organizers often ended up in drawers or under piles of mail on the kitchen counter. Taxpayers saw them as homework and procrastinated until the eleventh hour. Firms received documents *en masse* in late March, which led to stressful workload compression.

With the advent of the internet, some firms turned to online portals. This created even more work for clients, who had to print, sign, scan, and upload documents. Procrastination persisted.

Today, many firms stitch together a hodge-podge of third-party services to create a digital experience. They use separate services for file uploads, e-signatures, communications, invoicing, and tax return delivery. This creates a disjointed and confusing client experience.

TaxCaddy is an award-winning taxpayer collaboration platform that gathers all tax season tasks in one place. It's available via browser or as a mobile app for iOS/Android. TaxCaddy's intuitive user interface and all-in-one features will simplify tax time for you and your clients.

> We've sold new clients just by showing them a TaxCaddy demonstration. This is a key selling point for clients. **It differentiates us from the other firms competing for their business. This is an app that clients will drive their firms to use.**" —A Big 4 firm, interviewed for the Boomer Advantage Guide

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TaxCaddy streamlines tax document gathering. Smart Links automatically import tax documents directly from your clients' financial institutions the same day they're issued. The mobile app's built-in photo-scanning feature uses your client's smartphone camera to capture clear, well-lit scans. TaxCaddy automatically crops and enhances the scans into OCR-ready PDFs. Your clients can also upload documents from their local drives or popular cloud-based services like Dropbox, Google Drive, or iCloud.

> **It's much more user-friendly for the clients.** They can snap a picture of their W2 and send it to us and it's not in some jpeg format that doesn't scan in right," Liz Krause (MHCS) said. "**And internally it's great. We can see exactly what the clients uploaded and what we're missing.**"

The questionnaire saves taxpayer progress after every answer, so they can complete it at their own pace. Encrypted messaging keeps the lines of communication open between clients and their tax professionals.

> When I was all done, I remember feeling like I was missing something, I was thinking **there's no way it could have been that easy, but it was**." —Kevin Frank, TaxCaddy user

TaxCaddy uses proforma data in your tax software to automatically generate tailored document request lists for each client at scale.

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The document request list that is customized to each person's prior year tax return is fantastic. It's really useful for our clients in terms of knowing that they're gathering everything from last year and if not, telling us why." —Susan Penno, Partner, Sassetti LLC

TaxCaddy is designed to elicit speed from taxpayers. When you have all the tools you need in your pocket, it's easier to snap a quick photo-scan than to hoard documents and process them in bulk. Faster response times from clients means your staff can get to work earlier in the season and avoid workload compression.

Tax season was a breeze. **I finished my part of the process in early February because TaxCaddy was so easy to use.**" — TaxCaddy user, third-party verified review [TVID 589-79C-CD9]

It took far less time to get documents to the tax preparer and for her to prepare our return. So we were able to file earlier and at a more convenient time for us. **It saved so much time previously spent in gathering and sending documents to our tax preparer and it was EASY.**" —TaxCaddy user, third-party verified review [TVID FD1-F62-992]

Deliver the finalized tax return, invoice, and e-file authorization request through TaxCaddy. Your clients can download their return, pay their invoice, and sign their 8879 with TaxCaddy's built-in KBA e-signatures. Your clients can even use TaxCaddy to pay their state and federal taxes.

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TaxCaddy did a nice job of organizing my documents and checking to be sure I had everything uploaded to my tax professional. **I rate it a 10 out of 10.**" —TaxCaddy user, third-party verified review [411-65C-21F]

By consolidating your client-facing technology in one place, you'll create a more positive client experience. Offering a mobile app in your firm's brand colors will attract a broader clientele and meet modern expectations. It's time to upgrade from paper, portals, and scattered processes. You'll see the difference in client happiness and retention.

Most of your clients want the same mobile, technological conveniences they receive from other financial service providers. In fact, younger clients expect and even demand it." —Boomer Advantage Guide

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Onboarding and support

SurePrep has helped firms of all sizes implement 1040 tax automation technology since 2002. We craft a custom training and onboarding program for every client. After onboarding, we support your ongoing success with unlimited lifetime support, on-demand e-learning, a self-serve Help Center, and a dedicated Account Manager.

> " You can't even compare the support that you get with SurePrep to any other product that I've ever worked with. […] **I felt like we got a partnership with SurePrep.** Success was almost guaranteed because of the resources that we had." —Leah DiGregorio, Partner, Hoffman, Stewart & Schmidt, P.C.

Onboarding: Your custom onboarding is led by your Success Team. Together, you'll appoint "Advocates" to spearhead the transition within your firm. Your Success Team will work with your Advocates to integrate software, train staff, and validate tax season readiness.

Support: All SurePrep customers enjoy unlimited year-round support via phone, chat, email, and screensharing. Our average wait time is less than 3 minutes, and our Customer Satisfaction Rating (CSAT) is 98%. SurePrep also provides customer support for your TaxCaddy users.

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❝ I've never worked with a company that has such instant access to support." — Cindy Bupp, EA Manager, Huth Thompson LLP

SurePrep Academy (SPA): After onboarding, your firm retains lifetime access to our on-demand e-learning platform, SurePrep Academy. Easily onboard new staff and refresh skills with our hands-on, interactive learning modules.

SurePrep Help Center: Need an answer fast? SurePrep maintains an expansive Help Center with detailed product information and troubleshooting steps.

Your Account Manager: Every SurePrep customer receives a dedicated Account Manager. Some vendors charge extra for access to a product expert or terminate the relationship after onboarding. Your SurePrep Account Manager is a permanent ally.

**❝ We did have questions every week and Miranda answers everything so quickly." — Leah DiGregorio, Partner, Hoffman, Stewart & Schmidt, P.C.

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After every tax season, your SurePrep Account Manager facilitates a post-season debrief. These meetings are a great way for team members to stay current on the software, learn new tips/tricks, and workshop friction-points for next season.

" Where we gain the most is through small group sessions. **Every single one of us learns something that we didn't know or gains some sort of efficiency that somebody else was doing better.**" —Ricky Adams, Tax Manager, Bradshaw, Gordon, & Clinkscales, LLC

Whether you are a national firm, a mid-sized practice, or a small office, our onboarding and Support resources will scale to meet your needs. Our goal is to make your digital transformation an exciting and friction-free experience.

Summary

SurePrep transforms tax season for you and your clients. Taxpayers benefit from TaxCaddy's mobile convenience and all-in-one simplicity. Your firm benefits from 1040SCAN and SPbinder's workflow optimization. By choosing SurePrep as your digital transformation partner, your firm can:

- Enable remote work with a cloud-based workflow
- Cut administrative costs
- Automate data entry and binder assembly
- Increase profit margins with higher staff leverage
- Improve the client experience

Our Client Success Team will be with you every step of the way.

Alice Admin

Tom Taxpayer

Robin Reviewer

Paul Preparer
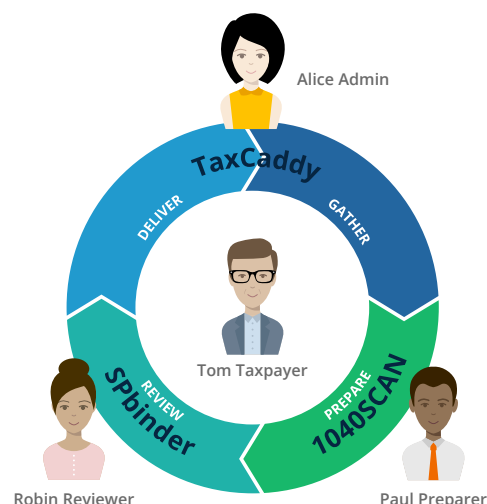
> SurePrep does an absolutely amazing job and I just don't see how we could go back to manually [preparing returns]." —Brad Beasley, Partner, Beasley, Mitchell, & Co.

About SurePrep

SurePrep was founded in 2002 and is the leader in 1040 tax automation. We deliver seamless integration with your existing tax software to streamline the entire 1040 process for both taxpayer and tax professional. Over 32,000 tax professionals use SurePrep solutions, ranging from Big 4 firms to sole practitioners. Firms use SurePrep solutions to reduce administrative costs, enable remote work, automate workpaper preparation, maximize review efficiency, and improve client service.

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