

"I wish all software developers were as willing to hear the voice of their customers as IRIS Star Practice Management."

Greg Shoemaker, Chief Information Officer



IRIS Look forward



### Customer Profile

Back in 1923, three enterprising Certified Public Accountants William Baird, Wade Kurtz and Claire Dobson decided to set up their own firm with offices in Kansas City and Joplin, Missouri. They started with \$1,700 in the bank and by the end of its first year in operation turned in revenues of \$17,010.

This set the pattern for the steady growth and expansion of the original partnership, to the current day where BKD, LLP, with around 260 partners, working out of 34 offices and generating \$496 million revenues, is now one of the largest CPA firms in the U.S.

Headquartered in Springfield, MO, BKD serves clients throughout all 50 states and internationally.

A national CPA and advisory firm, BKD's prime objective is to help individuals and businesses realize their personal and organizational goals, utilizing a variety of services encompassing accounting, audit and assurance, risk management, technology, tax, corporate finance, forensic and valuation services and wealth management. Client industries include health care, manufacturing, distribution, financial services, construction and real estate, as well as

government entities, higher education institutions and not-for-profit organizations.

BKD is also the largest U.S. member of Praxity, AISBL, a global alliance of independent firms offering multinational clients a gateway to the global marketplace.

Underpinning the firm's continuing success is long-term client satisfaction over many years, with BKD's personnel -- around 2,400 of them at last count -- assigning their time and applying skills, knowledge and expertise to deliver the highest quality of client services.

## Challenge



Allocating and tracking resources, apportioning fees, and recovering expenses efficiently and accurately across BKD and its subsidiaries is pretty demanding, and BKD was in need of a software that would help partners, managers and staff meet their client service and financial objectives.

Star's software has been running at BKD since September 2012 when it replaced the Mize Houser CPA/MIS system. Greg Shoemaker, Chief Information Officer at BKD, LLP, explained that the Mize Houser system was good in its day but was coming to the end of its life as new technology became available.

This was the case not just for BKD but a number of other large CPA firms who decided to join forces in the search to find a suitable replacement. The group of firms combined efforts to compile general requirements and requests for information all in an effort to identify viable practice management software that meets the needs of larger CPA firms.



## Approach

After evaluating several software providers and their solutions, the group of CPA firms narrowed the contenders down to two, with IRIS Star Practice Management coming out ahead. Although the group members had similar needs, each firm had its own objectives as well as ideas about timescales and how the system should be implemented. At that point the group dissolved, and each firm negotiated individual contracts.

*“At BKD we wanted a solution running on a technology platform with a long life and an ability to integrate with other systems – those that already exist within BKD and those we might add in the future,” says Greg. “We needed a solution that was designed specifically for accounting firms rather than trying to transform a general software into a practice management solution. IRIS Star Practice Management met all these criteria.”*



## Solutions

BKD contracted with IRIS Star Practice Management in January of 2011 and over 18 months went through a carefully planned implementation and migration process which involved multiple test data conversions, creating custom reports and dashboard views, building interfaces to other systems and an extensive training program, which was preceded by a thorough user acceptance testing exercise.

All of this was done not just to make sure the system configuration was solid but also because IRIS Star Practice Management was intended to bring about new efficiencies and changes in working practices. BKD had to be sure the changes they had made would work in real life, for example when over 2,000 people had to learn a new approach to time and expense entry.



## Results

*“The first big improvement was through replacement of our two-week time sheet process,” explains Greg. “Now, people input their own timesheets and expenses directly into the IRIS Star Practice Management system, giving better and more real-time visibility to engagement performance, billing realization, staff utilization, client profitability and aging – both WIP and AR. Partners and managers have real-time insight to key information. The administrative effort around processing time and expense approvals has also been substantially improved; in a firm our size this is a big win.”*

Keen to minimize slow-down of the billing process during transition to the Star system, the firm made sure that all timesheets were completed on schedule, entered and approved well in advance of the switch. Greg and his team bled the legacy system of as much billable WIP as possible and worked ahead of the normal billing schedule prior to cutting over to Star. BKD ended up billing a lot more in the last two months on CPA/MIS than was usual. This strategy caused what looked like a dip in billing volumes in the first two months of being on Star, but in reality the available WIP to bill from had simply been depleted prior to cutover. Once the available WIP was replenished the billing volumes resumed, but in the meantime BKD’s staff had time to overcome the learning curve without having all

the pressure of billing high volumes during the transition.

People with billing responsibility experienced a step change in working practice. They went from having decades long processes and paper-based billing worksheets that included all the WIP, engagement and billing history behind a client on which they were making very informed disciplined billing decisions, to real-time information that they were now able to retrieve themselves by looking at different pieces of data on the billing screens in Star.

Initially, the paradigm shift of working from paper-based billing worksheets to a more interactive billing system led to a downturn in the quality of billing decisions. Since going live, the firm has implemented a number of modifications to the system and training on new disciplines and practices to drive up the quality of billing decisions.

*“As with any major system change, BKD went through a series of stages after cutover,” says Greg. “At first, we were in survival mode. Then we started becoming proficient and started noticing how things might be better. Now we are in optimization mode. We are trying to work within Star’s flexible capabilities to streamline operations, and we are communicating with Star’s development team through their*

*user group meetings on features and improvements that would be beneficial to us.”*

BKD now has quite a large number of people who bill on-line on a regular basis, while billers and those who are engagement or relationship managers have the Star Dashboard as well. This is an easy to use browser-based business information tool that enables them to interrogate and present information held in the underlying database, for example, producing reports showing key metrics for an individual that can also explore an office or service line.

In late 2014, BKD began experimenting with Star’s Staff Scheduling Module and by the middle of 2015 felt ready to roll the system out to all offices for audit engagements. The firm is also working towards implementing scheduling for tax engagements. Prior to using Star’s Staff Scheduling module, BKD’s practice offices relied solely on an Excel-based scheduling template to schedule all audit engagements. The Excel tool was great for creating a nice visual schedule, but it lacked any ability to analyze and compare budgeted hours to scheduled hours to actual hours.

Today, BKD is able to perform this kind of analysis in Star while still presenting a nice Excel-based schedule to its professional staff. Each office has delegated the scheduling function to a small team. Once the team creates the

schedules, they run an automated process to update the Excel file pulling data directly from Star and formatting it with a nice visual presentation.

The objective of the Scheduling Module is to provide full control and visibility of staff resources. When used to its full extent, it gives immediate access to multiple scheduling views, identifying the location and availability of staff. This helps optimize staff deployment, improves productivity and increases client service levels. Importantly, individual firms can build their own business rules into the job scheduling routines to streamline processing and ensure compliance with job budgets and realization targets. It is easy to see what work has yet to be scheduled; identify and resolve scheduling conflicts; and plan and forecast resource needed to cater for seasonal peaks and troughs so staff can be better utilized.

Extensive reporting can also identify efficiency and profitability of staff, departments and lines of business. Because the budget and scheduling data is in the same database as the time and billing data, BKD can see actual to budget variances in real time, enabling them to react more quickly to areas of concern.

For a firm the size of BKD, how the Star software is applied across the firm is always a work in progress as they look to use more and more elements of the system -- and also refine the way they use modules that

are already live.

Greg comments that he and his team have a mutually beneficial and highly collaborative relationship with IRIS Star Practice Management.

***“Star’s consultants are very knowledgeable. They collaborate with us on technology, business process and application functionality which helps us find optimal solutions to our management needs. We know that Star understands our issues and tracks them from cradle to grave.”***

Another important part of the IRIS Star Practice Management solution for BKD was the ability to control elements of the application through the use of SQL without the need to have custom code written. *“The database lets us add or remove content, such as hiding or exposing columns of data,”* explains Greg. *“We can create our own versions of the standard rules on how numbers are calculated and replace Star’s standard terms with terms that resonate and make sense for us here at BKD.”*

*“We can also create and refine processes that fit our business. This is a hugely powerful feature, and the fact that Star is willing to share control of SQL views and stored procedures, rather than wanting exclusive control over them, is a big plus for us because*

*we have staff who are able to make good use of this open approach.”*

As BKD has merged other firms into the business, over time they have learned from Star how to manage much of the data migration themselves.

*“Star is not a ‘black box’ and the fact that we can do this is both a practical and a cost effective benefit,”* says Greg. *“It also serves as a reminder that we made the right choice.”*

*“Nevertheless,”* he continues, *“there have been times when we needed modifications to the system to do something that was shaped around the way we work as a firm, such as when we wanted the system to help us more in the area of staff budgeting or when we needed to add information tabs to the bottom of the billing screens to improve the quality of billing decisions.”*

***“Star is always willing to listen. As a vendor that specializes in accounting firms, they often just ‘get’ what we want without us having to belabor the point. That focus on accounting firms was one of the things that was attractive to us about Star when we were going through our selection process, and it has shown its value on more than one occasion.”***

*“Star then brings any custom work*

*it does for clients into a mainstream release so it makes ongoing support more straightforward for us and them.”*

New releases of Star appear twice a year and clients are encouraged, but not obligated, to upgrade once a year so they stay current with the latest improvements in the program.

Interestingly, BKD and other firms acted as a catalyst in the development of the Star User Group in the US which meets twice a year and now plays such an important part in the continuing dialogue between Star and users of its systems.

*“The Star User Group is very valuable. Star is very much of the view that it should be for the users and run by the users and not just a showpiece for them. The agenda for the two day meetings is proposed by us with input from Star, not the other way round.*

*“We interact with Star leaders and peer firms to share insights and focus on improvements that will benefit the entire Star customer base. We appreciate Star’s willingness to invest in areas of their product that have been brought up during various Star User Group meetings such as improvements to billing screens and web or mobile capabilities,”* Greg comments.

Star now has developers working exclusively on mobile applications, and intends to create a complete suite of mobile applications. It has started with releasing apps for time and expenses, but is now moving onto a Dashboard app and more will follow to facilitate tasks such as bill approval and the approval of engagement budgets and schedules.

*“I wish all software developers were as willing to hear the voice of their customers as Star,”* concludes Greg.