



Overview

Country or Region: United States

Industry: Professional Services

Customer Profile

The fifteenth largest CPA and consulting firm in the United States, Virchow Krause provides traditional tax, audit, assurance, financial planning, and other consulting services to its clients.

Business Situation

Virchow Krause wanted to automate its paper-based client acceptance process to mitigate risk, ensure security, and provide a reliable audit trail.

Solution

Virchow Krause implemented Captaris Workflow, a solution based on Microsoft products that automates repetitive business and document management processes.

Benefits

- Improved risk assessment
- Easy rollout and management
- Accelerated client acceptance process

Automation Helps Top Accounting Firm Accelerate Client Acceptance, Mitigate Risk

“Implementing Captaris Workflow was seamless because we already had the infrastructure in place. It worked well with our practice management system, SQL Server, Exchange Server, and our Web forms.”

Allen Smith, Chief Information Officer for Virchow Krause

Virchow Krause provides a range of accounting and consulting services to clients throughout the Midwest. The firm needed a way to accurately assess potential risk when accepting new clients—especially publicly traded companies that must comply with various regulatory requirements. Paper-based client acceptance processes were inconsistent across the firm’s ten practices and could take as much as six weeks to complete. To minimize its exposure to risk and streamline its processes, Virchow Krause implemented Captaris Workflow, an automated business process management system from Captaris, a Microsoft® Gold Certified Partner. Based on Microsoft Windows Server System™, Captaris Workflow uses Microsoft SQL Server™ to manage data. The automated workflow solution gave Virchow Krause the strict control it needed over the client acceptance process and cut the approval timeline from weeks to days.



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Situation

According to Public Accounting Report’s “Top 100 for 2005,” Virchow Krause ranks as the fifteenth largest CPA and Consulting firm in the United States, employing more than 1200 people. The firm handles mergers and acquisitions, private investment banking, estate and financial planning, and audits—in addition to providing traditional accounting and tax services. Many Virchow Krause clients are publicly traded companies that must comply with a myriad of government regulations, including those set by the Securities and Exchange Commission (SEC), the Sarbanes-Oxley Act, and the Gramm-Leach-Bliley Act (GLBA). As a securities dealer, Virchow Krause must also comply with National Association of Securities Dealers (NASD) rules.

Assessing potential risk is the most important factor Virchow Krause considers when taking on a new client, so the firm carefully screens new applicants. “As we take on more high-profile and publicly traded companies that fall under SEC compliance, it’s imperative that our client intake process identifies potential risk,” says Allen Smith, Chief Information Officer for Virchow Krause.

The client intake process involves asking a series of detailed questions, the number and depth of which vary depending on the service the firm would provide. More complex projects involve greater potential risk and therefore require more careful screening, internal controls, checks and balances, and approvals from managing partners. “The standards required to accept a client for an audit, for example, are far more stringent than for basic accounting services,” says Smith. “We needed a mechanism that would allow us to follow specific risk mitigation and quality standards and allow us to enforce policies we have within the firm.”

Each line of business, or practice, had its own client intake process, and none was consistent with another. One practice might accept a client for a low-risk project based on answers to a few simple questions. If the same client later approached a different practice for a high-risk project, often that practice would automatically accept the project because it was for an existing client. The problem was that each practice needed to evaluate a client using different standards that were based on the complexity of the project and the potential risk. “To mitigate risk, we needed a system that had built-in intelligence to say, for example, ‘We’ve never done an audit for this client. We need to go back through the client acceptance process because the standards for an audit are far more stringent,’” says Smith.

Complicating the risk assessment process was the fact that the client intake and acceptance process was entirely paper-based. With client acceptance papers traveling from one office to another—Chicago, Detroit, Minneapolis—it could take weeks to route papers for approval. And what if it was determined that the risk for a particular project and client was too high? By then, the firm might have already started work on the project.

“With a paper-based process, we didn’t have a holistic view of all the services we were providing for a particular client,” says Smith. “We could literally have six or eight points of entry for a client.” The firm also had no way to ensure that its internal policies for client acceptance were being followed.

Solution

In early 2004, Virchow Krause got its first look at Captaris Workflow, business process management software that helps companies in virtually any industry automate repetitive business processes and easily manage shared documents. “From the minute we saw

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Sam Bronchetti, Senior Manager of Application Development, Virchow Krause

Captaris Workflow, we were so impressed with its capabilities that we didn't need to look for other solutions; it met all of our requirements," says Smith.

Since 2003, Virchow Krause had been using a practice management system that was based on the Microsoft Windows 2000 Server™ operating system and used Microsoft SQL Server™ 2000 as its database. The firm was already using Microsoft Exchange 2000 Server communication and collaboration server and Microsoft Office Outlook® 2003 messaging and collaboration client. Captaris Workflow is a subset of that larger practice management solution. "Implementing the workflow solution was seamless because we already had the infrastructure in place," says Smith. "It worked beautifully with our practice management system, SQL Server, Exchange Server, and our Web forms."

From a developer's perspective, Captaris Workflow provided the framework that allowed Virchow Krause to develop the specific business rules it needed. "We took the time to review business requirements, analyze processes, define the rules, and create decisions trees," says Sam Bronchetti, Senior Manager of Application Development, Virchow Krause. "Once the business requirements were defined, it only took us about two months to roll out the system to our users."

At its core, Captaris Workflow is an integration layer between disparate systems. It gives Virchow Krause the ability to bring different systems together in a way that users are completely unaware of. "They don't care that this piece of data goes here, that data goes there, and a third piece goes to yet another system," says Smith. "Captaris Workflow allowed us to link these different databases in a way that we were not able to do before. To the user, it all appears to be one form."

Captaris Workflow has entirely replaced the paper-based client acceptance process that Virchow Krause once used. "Now, everyone uses the same system and goes through the same basic process, but the system takes them down a specific path based on the answers given," says Bronchetti. "Users are able to track the status of every project, see where it is in the approval process and, if it's stalled, why it's stalled. The system posts alerts and sends e-mail reminders to responsible parties when they miss a deadline."

Benefits

The Captaris Workflow solution reduces risk, increases security, ensures that internal processes are being followed, and provides an audit trail for Virchow Krause. "We needed a system that would provide the right information so we could make informed decisions, and that's exactly what we got," says Smith.

Improved Risk Assessment

Typically, IT solutions are designed to solve several critical issues, but for Virchow Krause, assessing and mitigating risk were the primary concerns. With the intelligence Virchow Krause programmed into the system, the firm can be assured that it is taking the highest precautions to thoroughly evaluate clients and assess the potential risk for every type of project. How does the firm measure that success? "Our peer audits have always been very good, and they continue to be so, even though we have substantially expanded our audit projects for publicly traded companies," says Smith. "We feel comfortable doing that, because we are confident in the quality control measures we have in place now for client acceptance."

Virchow Krause users also think that automated workflow is a great improvement over the paper-based system. "We were prepared for users to be angry about having

to learn a new system. Instead we got 'Wow! It moves very quickly' and 'My paper doesn't get lost,'" says Smith. Users like the fact that they can manage every project in real time. And because the system tracks every step of the acceptance process, Virchow Krause has a reliable audit trail—an essential element for meeting regulatory requirements.

Easy Rollout and Management

"The framework that a workflow solution provides is incredible," says Bronchetti. "Many times, technologists are hamstrung by the technology itself. The Captaris Workflow framework and the Microsoft technology it's based on are rock-solid. That let us focus on the business rules we needed to create rather than worrying about how the technology worked."

And from a developer's perspective, the Microsoft technology on which Captaris Workflow is based offers more advantages. "We had already been using Microsoft Visual Studio® .NET 2003, so our developers didn't need to learn Java; they didn't need to learn anything new," says Bronchetti. "This solution fit right into the asp.NET path we are already on."

Accelerated Client Acceptance Process

The workflow solution has also shortened the client acceptance process—from as much as six weeks down to a matter of days. Although Smith is quick to point out that accelerating client acceptance was not a primary goal of the solution, he calls it icing on the cake.

Virchow Krause is looking forward to making Captaris Workflow available to the firm's many partners who travel and need remote access to the system. In addition, the IT group is gradually migrating to Visual Studio .NET 2005 (which will be fully supported in the upcoming release of Captaris Workflow 6.0) as it works on a new solution called client reacceptance, which

will allow the firm to review its entire client portfolio on an annual basis.

For More Information

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For more information about Captaris products and services, call (800) 443-0806 or visit the Web site at: www.captaris.com

For more information about Virchow Krause products and services, call (608) 249-6622 or visit the Web site at: www.virchowkrause.com

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Document published May 2006

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