

LEARNING MADE EASY

Special Edition

Botkeeper®

for
dummies®
A Wiley Brand



Learn how Botkeeper
accelerates your firm

Rapidly deploy Botkeeper
at your firm

Be an industry leader

Brought to
you by

botkeeper
The Future of Bookkeeping

Jody Padar

Byron Patrick

Chris Mahl

Enrico Palmerino

About Botkeeper

Founded in 2015, Botkeeper is among the fastest-growing automated bookkeeping solutions in the world. Headquartered in Boston with numerous office locations across the globe, Botkeeper delivers a comprehensive collection of services, providing automated bookkeeping support to accounting firms and businesses by using a powerful combination of skilled accountants, machine learning, and artificial intelligence. Clients receive 24/7 accounting and support, as well as incredible insight into their financials with interactive dashboards and unlimited reporting. Botkeeper's Accounting Partners are able to grow their book of business and provide high-quality services to their clients, increasing their ability to take on new clients while getting spotless financials at tax time — and reducing overhead. Botkeeper is the only solution of its kind, acting as a force multiplier for accounting firms and business owners alike.

Across the United States, Botkeeper works with accounting firms to service thousands of businesses of all sizes, and tackling a broad range of client industries, making Botkeeper a valuable accounting partner. Botkeeper is at the forefront of change and innovation in the accounting sector, delivering solutions to its clients' most complex pre-accounting and bookkeeping challenges.

Botkeeper has been at the frontline of every major technology shift in the accounting industry since formation, helping accounting professionals to understand automation, achieve their goals, and differentiate in the ever-evolving accounting landscape.

- Botkeeper is a leading pre-accounting and bookkeeping partner to CPA firms and Accounting Professionals, helping partners to implement innovative new strategies into their practices and prepare for the transition into an organization of the future.
- Botkeeper leads the market in the provision of human-assisted artificial intelligence bookkeeping tactics that enable CPA firms to operate effectively, having designed their platform and offering around the issues and challenges accountants experience daily.
- Botkeeper is enabling Accounting Professionals to grow their business, improve margins, and deliver better service to their clients by augmenting manual and tedious bookkeeping work

www.botkeeper.com/botkeeper-for-dummies

facebook.com/botkeeper

twitter.com/b0tkeeper

instagram.com/botkeeper

linkedin.com/company/botkeeper



Botkeeper[®]

Special Edition

**by Jody Padar, Byron Patrick,
Chris Mahl, and Enrico Palmerino**

for
dummies[®]
A Wiley Brand

Botkeeper® For Dummies®, Special Edition

Published by

John Wiley & Sons, Inc.

111 River St.

Hoboken, NJ 07030-5774

www.wiley.com

Copyright © 2020 by John Wiley & Sons, Inc., Hoboken, New Jersey

No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording, scanning or otherwise, except as permitted under Sections 107 or 108 of the 1976 United States Copyright Act, without the prior written permission of the Publisher. Requests to the Publisher for permission should be addressed to the Permissions Department, John Wiley & Sons, Inc., 111 River Street, Hoboken, NJ 07030, (201) 748-6011, fax (201) 748-6008, or online at <http://www.wiley.com/go/permissions>.

Trademarks: Wiley, For Dummies, the Dummies Man logo, The Dummies Way, Dummies.com, Making Everything Easier, and related trade dress are trademarks or registered trademarks of John Wiley & Sons, Inc. and/or its affiliates in the United States and other countries, and may not be used without written permission. Botkeeper is a registered trademark of Botkeeper, Inc. All other trademarks are the property of their respective owners. John Wiley & Sons, Inc., is not associated with any product or vendor mentioned in this book.

LIMIT OF LIABILITY/DISCLAIMER OF WARRANTY: THE PUBLISHER AND THE AUTHOR MAKE NO REPRESENTATIONS OR WARRANTIES WITH RESPECT TO THE ACCURACY OR COMPLETENESS OF THE CONTENTS OF THIS WORK AND SPECIFICALLY DISCLAIM ALL WARRANTIES, INCLUDING WITHOUT LIMITATION WARRANTIES OF FITNESS FOR A PARTICULAR PURPOSE. NO WARRANTY MAY BE CREATED OR EXTENDED BY SALES OR PROMOTIONAL MATERIALS. THE ADVICE AND STRATEGIES CONTAINED HEREIN MAY NOT BE SUITABLE FOR EVERY SITUATION. THIS WORK IS SOLD WITH THE UNDERSTANDING THAT THE PUBLISHER IS NOT ENGAGED IN RENDERING LEGAL, ACCOUNTING, OR OTHER PROFESSIONAL SERVICES. IF PROFESSIONAL ASSISTANCE IS REQUIRED, THE SERVICES OF A COMPETENT PROFESSIONAL PERSON SHOULD BE SOUGHT. NEITHER THE PUBLISHER NOR THE AUTHOR SHALL BE LIABLE FOR DAMAGES ARISING HEREFROM. THE FACT THAT AN ORGANIZATION OR WEBSITE IS REFERRED TO IN THIS WORK AS A CITATION AND/OR A POTENTIAL SOURCE OF FURTHER INFORMATION DOES NOT MEAN THAT THE AUTHOR OR THE PUBLISHER ENDORSES THE INFORMATION THE ORGANIZATION OR WEBSITE MAY PROVIDE OR RECOMMENDATIONS IT MAY MAKE. FURTHER, READERS SHOULD BE AWARE THAT INTERNET WEBSITES LISTED IN THIS WORK MAY HAVE CHANGED OR DISAPPEARED BETWEEN WHEN THIS WORK WAS WRITTEN AND WHEN IT IS READ.

For general information on our other products and services, or how to create a custom *For Dummies* book for your business or organization, please contact our Business Development Department in the U.S. at 877-409-4177, contact info@dummies.biz, or visit www.wiley.com/go/custompub. For information about licensing the *For Dummies* brand for products or services, contact Branded Rights&Licenses@Wiley.com.

ISBN 978-1-119-74587-7 (pbk); ISBN 978-1-119-74591-4 (ebk);

Manufactured in the United States of America

10 9 8 7 6 5 4 3 2 1

Publisher's Acknowledgments

Project and Development Editor:
Chad R. Sievers

Acquisitions Editor: Steven Hayes

Editorial Manager: Rev Mengle

**Business Development
Representative:** Matt Cox

Production Editor:
Mohammed Zafar Ali

Table of Contents

| | |
|---|-----------|
| FOREWORD | v |
| INTRODUCTION | 1 |
| About This Book | 1 |
| Foolish Assumptions | 2 |
| Icons Used in This Book | 3 |
| Where to Go from Here | 3 |
| CHAPTER 1: Using Automation and Artificial Intelligence | 5 |
| Understanding What Automation Does | 5 |
| Looking Closer at Artificial Intelligence and Machine Learning | 6 |
| Applying Automation and Machine Learning in Accounting | 7 |
| Understanding Why Statistical Probability Is Relevant | 9 |
| Modeling with bots — the complexity grows | 10 |
| Dancing with data | 12 |
| CHAPTER 2: How to Train a Bot to Scale | 15 |
| Picturing Bot Basics: What Machine Learning Can (and Can't Do) | 16 |
| Classifying Transactions | 17 |
| Taking a Closer Look at Scaling | 18 |
| CHAPTER 3: Examining the Botkeeper Platform | 21 |
| Recognizing the Need for Botkeeper | 22 |
| Grasping Why the Platform's Software Is So Important | 22 |
| Preparing for Deployment | 23 |
| Recognizing what happens during deployment | 24 |
| Tapping into the platform's tools | 24 |
| Scaling Your Business | 27 |
| CHAPTER 4: Enabling Your Firm: A Recipe for Your Success | 31 |
| Creating Opportunity for Scalable Growth | 31 |
| Eyeing Your Growth Team's Main Responsibilities | 32 |
| Meeting Your Growth Partner | 33 |
| Knowing What Happens after You Sign: Onboarding | 34 |
| Considering Daily Activities — Eliminating Data Aggregation | 36 |

| | | |
|-------------------|--|-----------|
| | Managing Your Bots' Workflow | 37 |
| | Making Deployment with Your Clients Easier: Tips and Tricks | 40 |
| | Bucket your clients | 41 |
| | Remember that change can be difficult..... | 41 |
| | Communicate, communicate, communicate | 43 |
| | Managing Your Customers and Expanding Services | 43 |
| | Managing and Upscaling Your Internal Talent | 44 |
| CHAPTER 5: | Adapting Your Practice to Botkeeping..... | 47 |
| | Pricing Your Services: How-to Price Bots to Customers | 48 |
| | Understanding What Advisory Accounting Really Means | 49 |
| | Marketing and Selling | 50 |
| | Considering Mergers and Acquisitions..... | 51 |
| CHAPTER 6: | Ten Tips to Build a Botkeeping-Enabled Firm..... | 55 |

Foreword

By Enrico Palmerino, CEO Botkeeper

Botkeeper's intention is not to disrupt the accounting industry and displace hundreds of thousands of trusted business advisors and accountants that play a critical role in the success of small businesses. Rather, Botkeeper's mission and obsession is to provide every accountant with the technology and platform necessary to deliver the purest, most accurate, and most efficient accounting service to their clients, allowing them to break through the industry's glass ceiling and make accounting an advantage to their clients rather than simply a back office function.

My genesis as Botkeeper founder began with a dorm room startup — ThinkLite — that automated lighting analysis, design, and manufacturing. ThinkLite was fortunate enough to grow at an alarming rate, which had it ranking 46th among the fastest growing businesses in the 2011 Inc 500 List. Through that business I realized how important quality accounting is, as well as the challenges, complexities, and pitfalls associated with building, growing, and running an accounting department. These inefficiencies and challenges ultimately became the catalyst that set off a nearly decade-long accounting obsession rooted in automating and streamlining accounting for accountants and business owners alike.

After successfully exiting ThinkLite, I did what many entrepreneurs do and leapt into the next venture with a goal of solving the headaches and pain points of my prior company, in this case: accounting. Round 1 involved building and growing a tech-enabled, cloud-accounting firm that would provide bookkeeping and accounting services to small- and medium-sized businesses like ThinkLite, thereby allowing business owners to outsource the headaches of accounting and focus on their strengths and growing their business. However, in three short years, despite rapid growth, I hit my head on the glass ceiling that is the accounting services market.

No matter what you do in accounting services, cloud-enabled or not, your ability to grow is directly correlated to the speed and efficiency at which you can hire, train, and retain accounting talent, which, mind you, is a scarce and depleting resource. In addition to a human capital challenge, you also run into an application

and integration challenge resulting from a half dozen and more specialized applications (such as bill pay, doc storage, dashboards, receipt capture, statement fetching, communication, transaction access, task management, and so forth) that have siloed data sets, that don't integrate, and that don't allow you a single pane of glass view on your clients nor a unified and comprehensive portal into servicing them. Enter the vision for Botkeeper.

Botkeeper was founded on two core concepts:

- » Create a platform that consolidates and unifies the application stack into a single integrated platform that includes all the functionality and tools needed to do accounting (those listed above and more).
- » Develop machine learning and artificial intelligence capable of automating the high volume, tedious, and time-consuming work, required with processing transactions and delivering financials. As a result, it can automate the constraint on the limited pool of accountants, while also solving for human error and human constraints, for example, providing faster processing, more accurate numbers, continuous improvement, and more reporting and analytics, all at a fraction of the time required by manual entry and therefore at a fraction of the cost of human intensive workflows.

Botkeeper was founded with a lofty vision: Become the backbone to the accounting industry, enabling accountants to be more human by investing efforts and time in work and activities that demanded critical thinking, complex accounting, advisory and consulting, and customer service. I chose the name Botkeeper because I felt the modern bookkeeper would be machine- or robot-enabled and eventually bookkeeping would be a method of the past, whereas cyborg, humanoid, machine-assisted botkeeping would be the way of the future. Under this ambition, I felt the tagline for Botkeeper should be none other than The Future of Bookkeeping.

Botkeeper thanks the accounting industry for embracing, challenging, mentoring, advising, consulting, and investing in Botkeeper. For with every lofty vision comes mountains of obstacles, and we couldn't have moved those mountains without the army of accountants that have supported and helped Botkeeper become what it is today. Let's build the Future of Bookkeeping together!

Introduction

Botkeeper For Dummies, Special Edition, is an introduction to the Botkeeper platform and outlines how CPA and accounting firms can apply the Botkeeper suite to optimize the performance of CPAs. Additionally, Botkeeper president, Chris Mahl, walks you through what it means and what it takes to scale your company. Botkeeper has a unique problem-based tool set with a broad application. This handy guide introduces basic modes of automation, utilizing machine learning and artificial intelligence, beginning with transaction classification as well as Botkeeper-supported growth and scalability models.

Every industry is now responsible for keeping up with the pace of information sharing; Twitter, cloud accounting, and Zoom services are disrupting traditional models of doing business. As a result, you have to figure out how to make your trusted advisor relationships work at today's accelerated speed while delivering on all customer demands. In this age of change, the typical CPA firm client is more educated and more engaged than ever before. The proactive nature of today's client means that they're less interested in paying for compliance-based services, like tax returns and financial statements, and far more invested in services like tax planning and business advisory. How is your firm going to change your deliverables to meet these new demands? Botkeeper allows CPAs and accountants to pivot their attention to providing analysis on the financials and focusing on each client's metrics and key performance indicators while Botkeeper takes care of the nitty-gritty of compliance.

Responding to these new customer expectations is a new way of doing business. The speed of external changes and access to data has seriously impacted the traditional model of CPA firm operations.

About This Book

Botkeeper For Dummies, Special Edition, covers what you need to know to start the process of botkeeping. Through the application of Botkeeper's platform, which is based in machine learning and

artificial intelligence, you can gain efficiency and scale your professional services firm. Cloud Accounting is the first step, and Botkeeper is built to service the firms who have already gotten there, and if you haven't gone cloud yet, Botkeeper can get you up and running in the race to remain digitally relevant.

Many CPAs and accounting firms have inherent professional and interpersonal tools needed to navigate the rules-based world of accounting and bookkeeping. Botkeeper's platform stacks your professional wisdom and accounting/bookkeeping knowledge on top of automatable software, so you can achieve greater advisory and growth goals.

We discuss the following topics in this book:

- » An introduction to the key aspects of botkeeping and the kinds of early transformations to expect
- » The lowdown on what automation is and the data opportunities it will present
- » The way to train a bot and why bots are better at the repetitive tasks of bookkeeping than humans
- » How Botkeeper works with your CPA or accounting firm
- » Information on firm transformation and the practice management side of technology implementation
- » The ways you can achieve your scaling and growth goals
- » The basics on marketing, sales, and pricing with Botkeeper and how to help your team embrace new technology
- » Details about breaking silos within your own organization
- » How full adoption creates radical transformation in your firm

Foolish Assumptions

We've made the following assumptions about you, our dear reader, while writing this book:

- » **You're a managing partner or firm owner.** This firm is your business and your livelihood. You see the world changing, and you want to accelerate the changes in your firm.

- » **You're the accounting firm manager.** You see the changes happening around you, and you need help getting your partners to adapt to the world around you, and want to do your job better. You're looking ahead to your future.
- » **You're an accounting team member.** You live in an old-school firm, and you grew up on technology. You want to help your partners understand that there is a better more efficient, and profitable way to approach accounting. The manual processes are making you frustrated with your job, and you want to proactively help the firm change.

Icons Used in This Book

Every *For Dummies* book uses little pictures called icons to flag certain chunks of text that you don't want to miss. Here are the icons we use:



TIP

Look to this icon for ideas on how to improve your botkeeping experience.



REMEMBER

This icon marks anything you should stash away in your memory bank and recall about botkeeping after you've finished this book.

Where to Go from Here

Can you feel the excitement? You're now ready to enter the world of botkeeping. Because *Botkeeper For Dummies, Special Edition*, is a modular guide, you can start anywhere you like. If you want to read about technology and bots, start with Chapter 1. If you're just interested in how to transform your accounting firm and grow, start at Chapter 4. If you want to find the fastest ways to build a Botkeeper-enabled firm, begin with Chapter 6. If you're not sure where to start, scan the Table of Contents to get a better idea of what you're looking for.

In addition to the material in the print or ebook you're reading right now, this book also comes with some access-anywhere goodies online. Check out <http://botkeeper.com/botkeeper-for-dummies> to find more botkeeping information, key steps, or updates to scale your CPA or accounting firm. Botkeeper's bot technology is always changing, so check back to find the latest and greatest.

IN THIS CHAPTER

- » Comprehending how automation affects a CPA or accounting firm
- » Looking closer at the benefits of artificial intelligence
- » Using artificial intelligence to categorize transactions
- » Recognizing the new role of data

Chapter 1

Using Automation and Artificial Intelligence

Automation and artificial intelligence (AI) are game changers and may seem like the new kids on the block for many accounting firms. Machine learning (ML), a subcategory of AI, provides a very different way to look at the world of accounting and is changing what occupies the hours of nine to five for accountants and financial professionals. ML is redefining how transactions are classified and categorized. As a result, ML is reimagining the work that accountants can do for their clients. ML can take care of debits and credits so financial professionals can pay attention to the business and business owners. With ML, accountants can work at the speed of smart data; as the data dances, the accountant can get down to data analysis.

In this chapter, we provide an overview of how Botkeeper technology does the grunt work that accountants used to be responsible for.

Understanding What Automation Does

Maybe your accounting firm is running along just fine without automation. After all, you've been able to get by this long without it. Sure, you may experience some lost time due to entering and

verifying information manually across multiple spreadsheets or accounts, but so far, your firm has been able to handle it. Do you really need automation?

The short answer? Yes.

Your accounting firm must prepare for the future — today.



REMEMBER

Automation isn't about replacing people with machines. It's simply the next step in accounting evolution. Here is what automation can do:

- » **Automation is fast.** It allows accountants to spend their time using data to create a value-focused firm.
- » **Automation is more accurate.** No more transposition errors or other costly human errors. Automation is a cut-and-paste action, rather than transposing.
- » **Automation can reduce burnout.** Less time spent on menial labor means getting home on time and putting your brainpower toward more rewarding problems.
- » **Automation is about advisory.** You don't have to do day-to-day administrative tasks like recording entries, so you can focus on consulting with your clients.
- » **Automation is about scale.** The ability to grow your firm without additional headcount just makes good business sense.

In order to make your firm a great place to work for your valued accountants, take a serious look at offering automated solutions. Automation can help make your employees' jobs easier, so they can accomplish the tasks on their plates every day. Retain your team by making them happy and more productive. Would you expect your accountants to complete all their tasks without the aid of spreadsheets or calculators? Automation has become as essential to accounting as the abacus once was.

Looking Closer at Artificial Intelligence and Machine Learning

Artificial Intelligence (AI) and Machine Learning (ML) are currently revolutionizing functions in nearly every industry. Professionals have begun adopting them, and the future is

endless — so much more is to be discovered, understood, adapted, and applied.

The following helps you understand the terms AI and ML:

- » **Artificial intelligence:** AI is an umbrella term covering quite a few technologies. Among those technologies are ML, deep learning, natural language processing, and speech recognition. These are all AI, but all AI is not ML. These technologies are subcategories of AI, which is a layer of intelligence that allows automation to navigate complexity.
- » **Machine learning:** ML is an application of artificial intelligence that works with structured data points, like in a spreadsheet, database, or tax form, to build mathematical models that can make predictions and decisions.



REMEMBER

Bringing the right automated solution into your CPA or accounting firm can make a big difference to how your firm conducts its business, differentiates itself from the competition, adds strong advisory work to its deliverables, and positions itself for future success.

Applying Automation and Machine Learning in Accounting

Automation and ML can take on a number of the tasks currently handled by human beings, while simultaneously removing the inevitable human-error factor. The use of ML throughout the accounting industry has already demonstrated its potential to transform the way many accountants do business. Customers have already come to expect the benefits of that automation from their accountants, including increased speed and accuracy alongside more customized recommendations and financial data analysis.



REMEMBER

The COVID-19 pandemic has emphasized the need for accounting firms to be reliable and present for their clients in a digital, remote age. While some clients and firms have sprinted toward automation and the adoption of ML since 2018, those firms and clients that were more reluctant aren't any longer. If you as a CPA have clients dragging their heels, clinging to their desktop QuickBooks, you can share the good news: The wait is over, and the push to Quickbooks Online (QBO) and automation has been made.

Every financial professional and CPA is perfectly positioned to reap the benefits of automation, and fundamental to this process is data validation.



TIP

If you're tired of squinting at spreadsheets and checking (and double-checking) to make sure that you've input the right numbers, it's time to automate your data validation processes. Automation can go over information to make sure that it's as accurate as possible, including:

- » **Automation checks sources against one another to make sure they match.** Does the information in Spreadsheet A match the information from Invoice B? Your system can check that information for you automatically, which means that your clients will always be working with accurate information.
- » **Automation checks sources against past reports.** Is an invoice wildly different from the ones usually sent by that company? Does a payment fail to reflect the amount a specific company has paid in the past or the amount that the company usually pays for specific services? Automated bookkeeping software like Botkeeper can automatically check those sources and reconcile them, and then flag the ones that need further attention from a live person.
- » **Automation confirms payments.** From determining whether a client has made an important payment to checking on incoming payments and making sure nothing gets missed along the way can be tough. Automated bookkeeping software can keep up with payments and debits to all client accounts. The system can also automatically recalculate balances and keep track of expenses, making it easier to deliver insights into your clients' spending and making suggestions that can improve their financial outcome.
- » **Automation augments manual tasks.** Some tasks still require manual input, but that doesn't mean you have to handle them entirely by yourself. Effective accounting and bookkeeping software can augment those processes, ensuring accuracy and speed.

MACHINE LEARNING IN YOUR EVERYDAY LIFE

More than likely you've seen the recommendations made by online stores such as Amazon or online content providers such as Netflix and Spotify. These recommendations are specific predictions made by ML algorithms. These predictions are based on structured data points such as viewing habits, number of views, ratings, and purchase history — to name a few — combined with those of similar customers.

All your web browsing and posting on Facebook provides a live feed of data. ML, in the form of structured data points, is overlaid on your online behavior, producing loads of insight.

Automation can't entirely replace all of the processes that accountants perform, and businesses are a long way from being able to rely entirely on automation to take care of all those vital bookkeeping and accounting services. However, accountants are discovering that automation provides critical assistance to their business, reducing overall barriers to growth and preventing the likelihood of errors in their daily tasks.

Understanding Why Statistical Probability Is Relevant

Engineers write ML algorithms to tell machines how to look at multiple data points, find the similarities, and apply probability to group the data.



REMEMBER

Probabilistic models are more successful when they see what they're looking for occur historically multiple times. In order for this to happen, a lot of data is needed. Fortunately, larger CPA firms (like the Big Four) have more than enough data to provide a solid foundation for probability. The same goes for an automated platform like Botkeeper, which pools the data from all their supported firms and clients (which is a ton of information), and as a result has impressively accurate predictive technology. Figure 1-1 takes a closer look at how probability works when you flip a coin.

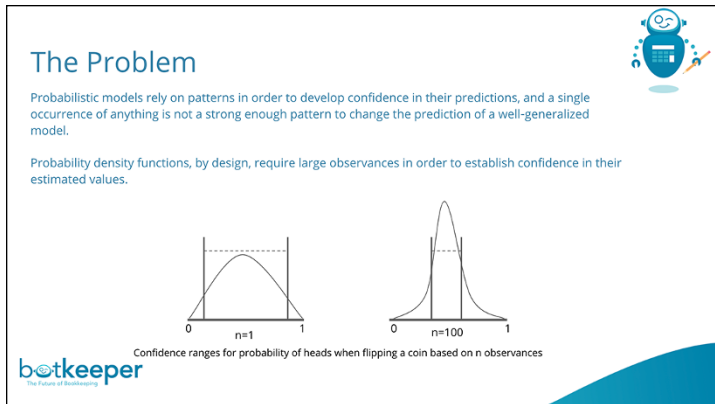


FIGURE 1-1: How probability works with a coin flip.

An example of a probability model is estimating the odds of a coin flip. If you flip that coin twice and one time it's heads and the other time it's tails, would you assume 50/50 odds? How confident would you feel in that assumption? How much more confident would you be if you flipped that coin 100 or 200 more times to support the 50/50 assumption?

Probabilistic models operate with the same thought process. The more the merrier. The models need a lot of data — in other words, a lot of observations of something happening over and over and over again for them to make confident projections.

Modeling with bots — the complexity grows

Ensemble learning is a specific type of programming methodology that applies probabilistic models to ML, and it's used to train and create Botkeeper's bots. Bots ask fundamental questions about a transaction's similarity or dissimilarity to all previous transactions. This method of modeling is extremely efficient because it demands far fewer historical examples to make predictions as compared to other modeling techniques.

Bots identify novel cases and then set about tracing similar cases, based on description and amount, in the general ledger, which is done through applying a series of questions. Based on the answers

produced by the bots, the transaction is color-coded according to confidence level, and the bots move on to the next transaction.

If the transaction can be categorized, the bot has done its work, and the software auto-categorizes the findings. If the confidence level of the bots is low, the transaction remains uncategorized until a human tells the data where it belongs.



The transaction classification model being used at Botkeeper auto categorizes only transactions in which the model is very confident. Confidence levels are color-coded and are identified as a percentage, telling the human whether or not to accept the transaction categorization, based on the confidence level. Those colors correspond to the following percentage of confidence (see Figure 1-2):

- »» Blue bot equals confidence greater than 98 percent.
- »» Red bot equals confidence greater than 90 percent.
- »» Gray bot equals confidence less than 90 percent.



FIGURE 1-2: Colors corresponding to confidence level.

If the bot has seen a transaction come in once, the next time it appears, a simpler bot might think to assign the same account to it, but a Botkeeper bot is going to look for more information. The bot needs more data to know if that assignment is correct.

If a bot identifies a transaction it has never seen before, it will try to find historically similar transactions. Through this process, the bot constructs webs of similarities and differences.

If the bot doesn't find enough similar data, the transaction will be flagged, meaning color-coded gray as low confidence, and the bot will make a suggestion that needs human verification. The human then verifies it. Through this process, the ML algorithm is supported or adjusted, and it learns accordingly.

The bots can be programmed to tackle pretty complex transaction histories by applying data modeling tools that approach a transaction with a litany of yes or no questions. Models can also answer questions that require more than a yes or no response such as which account does this transaction belong to? The bots ask and create numerous questions to interrogate the transaction. And by asking multiple questions (some easier and some more difficult), the bots determine categorization. By answering those questions (refer to Figure 1-3), the bots produce a logic around transaction identification.

Right now, if everything were auto-categorized based on probabilistic models alone, and confidence levels were dismissed, Botkeeper would be right about 70 percent of the time. By using smarter models, Botkeeper is able to auto-categorize 21 percent more transactions than other entities on the market.

Dancing with data

One of the most difficult things to grasp in the complex world of AI and ML is how the platform integrates data. In the future, clients will have resources to turn to for access to large databases of information. Botkeeper can use these data resources to compare internal client data with other data sources to assess opportunities of data analysis.

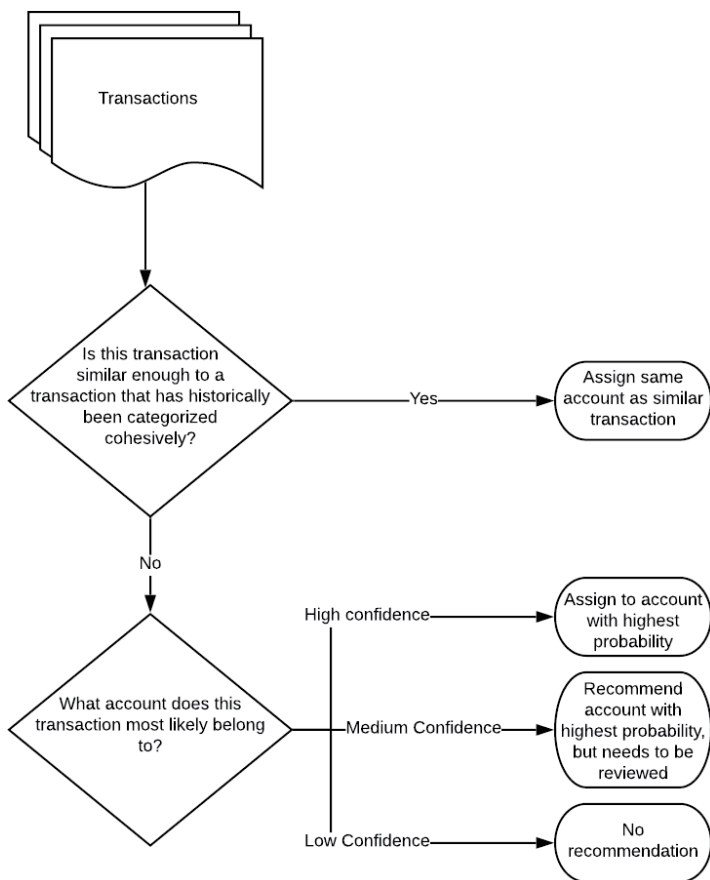


FIGURE 1-3: How transactions are categorized using ML.

Today is an exciting time for accountants to learn about and anticipate these technologies and understand the opportunities data pooling provides. Imagine if you could advise your restaurant clients on the best methods of online ordering and delivery based on national and regional data. CPAs could literally help their clients revolutionize their businesses through the use of technology, which is an added value on top of all the internal advances your firm could be making by incorporating ML and smart data.

IN THIS CHAPTER

- » Discussing machine learning and artificial intelligence
- » Classifying transactions using machine learning
- » Copying, pasting, and multiplying bots
- » Scaling firms by scaling bots

Chapter 2

How to Train a Bot to Scale

Machine learning (ML) and artificial intelligence (AI) are overused buzzwords in corporate America. That's why differentiating between what are valid programming algorithms versus what's hype is important. This chapter looks at practical ML applications to accounting and bookkeeping.

ML in accounting begins with classifying transactions. Algorithms are bits of mathematics that make the ML and the bots at Botkeeper run. After the algorithm is written, it becomes easy to multiply bots through a cut-and-paste operation. ML enables Botkeeper to write the code once and then apply it to lots of clients, while an automation step takes care of applying the ML to new clients as a firm grows. All Botkeeper needs to do to keep up with their client's needs to grow and scale is multiply bots, not humans.

This chapter additionally provides you with an overview of bot scalability and how Botkeeper leverages ML to perform bookkeeping functions and improve accuracy for your firm.

Picturing Bot Basics: What Machine Learning Can (and Can't Do)

Claiming that ML can do everything is easy. You know a person is exaggerating if he says, “ML and AI are magical solutions to every sort of problem!” People like to talk about AI and ML in accounting like self-driving cars — completely automated and independent. In reality, ML is still a few years away from doing your accounting books in a completely automated fashion.

Botkeeper leverages not only ML and AI for automation but also other various forms of software, decision trees, robotic process automation, workflows, and integrations to deliver the most comprehensive, accurate, and automated accounting (botkeeping) solution in the market today.



REMEMBER

Bots are simply ML that's been developed to perform a specific task. A bot isn't R2D2, who can do all your work for you when you go home, but a bot is able to tackle specific, predetermined tasks.

Rather than thinking of ML as a cure-all, think of the technology as a tool for solving problems, which is how Botkeeper applies ML to bookkeeping and scaling.



REMEMBER

ML software observes data and creates dynamic rules to make predictions based on similarities in historical data. When there's an exception, and the ML doesn't know how to categorize a transaction, it's flagged and an accountant needs to intervene to complete the bookkeeping process. Software engineers translate all the rules that bookkeepers and accountants use to organize information into an actionable language of computer code. The engineer does this translation once, and computers act on it, iterate on it, and continue to improve it for a lifetime.

For example, in QBO, accountants create rules, which is a form of automation. If you create rules in QBO, those rules are then specific to that client and specific to that account category. If something changes, such as the vendor name's spelling, or there's a misspelling, the rule breaks. That's an example of automation. However, ML provides that very important level of deeper intelligence that produces dynamic rule sets that can work with small mistakes or variations. Rather than the small variation in vendor name causing the rule to be broken, ML software looks at all the variables to assess if the rule still applies.



REMEMBER

The rules produced by ML software don't cover the full breadth of nuance of all accounting situations. However, the ML in addition to providing a transaction categorization prediction, rates the prediction with a confidence level. This confidence level indicates how much faith the ML has in its accuracy and also allows the human reviewers to evaluate the ML's accuracy and intervene if required. A personal touch is still necessary.



REMEMBER

ML isn't a solution; rather, it's a technique where a computer, instead of a human, efficiently handles a large amount of data, and processes and organizes it by applying a number of yes or no questions. It's one technique, out of many, that software engineers have at their disposal to attack specific problems.

You may have noticed that the term artificial intelligence (AI) has been dropped in this discussion. That's because AI is an umbrella term for many types of technology that apply cognitive logic, while ML is a specific branch of AI.

Classifying Transactions

Botkeeper saves tons of human hours by applying ML to solve the challenge of transaction classification.

Consider a bookkeeper or accountant who studies a client's historical data and figures out that every time a specific airline appears, she knows the transaction is a travel cost. The accountant can make a rule to enforce that knowledge. Conversely, with that same information in hand, ML software will automatically apply logic to recognize the same transaction as travel, without a human telling the software to do so. The ML remembers everything, and can use that knowledge and logic to identify thousands of transactions without a single human created rule.

The patterns of information that accountants know like the back of their hand are all legible to an engineer reading through client data. Engineers can identify these patterns and write code that will implement those patterns as rules.

Often those rules and patterns apply to a swath of clients. In that case, one handy bit of code can be applied to a number of cases. Can you imagine anything more scalable?

However, like snowflakes, no two accounting clients are exactly alike. Every client has unique needs, charts of accounts, accounting processes, and specific policies.

No one set of rules can be universally applied to every firm's different accounting clients. So Botkeeper uses rule-based programming and machine learning to model specific accounting client idiosyncrasies so even when it comes to the nuances, the bots can identify similarities.

Botkeeper's engineers have taught machines how to read client history, find patterns, and make predictions, just like an accountant or bookkeeper would. However, unlike an accountant or bookkeeper who can only retain and remember so many nuances, so many client cases, and so much historical data, Botkeeper and its ML are capable of remembering and retaining an infinite amount of data as well as seeing and identifying patterns in data sets that would be unrecognizable to humans.

Taking a Closer Look at Scaling

After the machines have learned from the data and historical behavior and created a rulebook, it's time to scale! Scaling is achieved by training a bot for each and every client.

Botkeeper is uniquely positioned to cater to the needs of individual clients and handle different charts of accounts. Some companies train one machine to perform a single task for all clients. Botkeeper is able to handle more diversity in accounting and bookkeeping because it uses a variety of modeling techniques to anticipate accounting treatments. As a result, unlike other automated solutions, Botkeeper doesn't require you to use a standardized chart of accounts for all your clients, but rather it's able to learn and adapt to any chart of accounts regardless of how unique or complex.



REMEMBER

The bots get smarter and more accurate as they digest more data. By exposing the bots to millions of transactions across a wide variety of industries the ML knowledgebase and, therefore, predictions improve.

Research continues to focus on making sure the bots learn across the client base. This technique and method of research is new and very exciting in the accounting industry.

In the midst of automation and ML, returning to the individuation of clients is important. In fact, the uniqueness of the client base enhances the machine's learning ability.

Performance models are built according to each client's needs. And although client's needs vary, engineers look at the broad scope of clients as a collective and take a mile-high view of all the bots and how they're performing.

If a certain client's bot isn't performing up to par, engineers can assess and address the weakness through comparison to higher performing bots. The learning process of the individual bot is constantly being updated by the software engineers and the performance of the bots is under constant scrutiny for optimization. Engineers teach the machines to learn by feeding them data. They can also add non-ML tools from the programming tool belt to get the most out of automation.

IN THIS CHAPTER

- » **Comprehending why a technology company is needed**
- » **Setting up for a successful deployment**
- » **Understanding the tools on the toolbelt of the Botkeeper platform**
- » **Scaling like a pro**

Chapter 3

Examining the Botkeeper Platform

The time has come for accounting firms to embrace artificial intelligence (AI) and machine learning (ML). The world is changing and the industry as a whole needs to continue to evolve to serve clients' needs. In fact, many thought leaders across industries are saying that data is the new oil. Data allows financial professionals to see trends on a macro and micro level, which in turn can help you guide your clients toward success. This type of technology frees you up through automation to do deep dives into client specific advisory work, and the provided data gives you the insight you need to provide the best advice possible.

The Botkeeper platform is designed to enable CPA and accounting firms to do their jobs more efficiently, minus the margin of human error, with all the tools to optimize your firm's bookkeeping processes.

This chapter provides an overview of the Botkeeper platform as a tool belt designed for CPA firms to easily move into a technologically supported future. This chapter covers deployment and the immediate benefits of profitability and efficiency.

Recognizing the Need for Botkeeper

Accounting firms can't do this level of technology building internally, yet they need this technology to remain competitive in an industry primed for huge, tech-driven disruption. Mergers and acquisitions is one path some firms are pursuing to attain the expertise they need. However, if a merger or acquisition is unrealistic or not desired, as it is for many firms, Botkeeper is an ideal option.

Many firms are experiencing more demand than they can support. *Capacity*, which is limited by the number of workable hours in a day, is one of the biggest limiting factors impacting CPA firms' ability to grow revenue. A typical accountant has on average 2,000 productive hours per year available. If she spends 50 percent of her time on bookkeeping, she only has 1,000 hours available for advisory and higher-level services. Therefore, in order to grow revenue, a firm has to hire additional staff to expand the number of clients that they can support and, in turn, grow revenue. However, a shortage of qualified staff and the slow nature of training rules out hiring alone as a solution for scale. Building the algorithms and letting the bots loose creates the efficiency firms need to scale.

With Botkeeper's breadth of CPA firm partners, the bots that make it all work have access to a huge pool of data, which allows your firm to make more accurate predictions for your clients and takes more menial tasks off your hands so you can focus your attention on how to better serve your clients. On average, a fully botkept client base gives an accountant back 50 to 70 percent of her bookkeeping time, depending on the services being performed for her clients and the services being supported by Botkeeper.

Grasping Why the Platform's Software Is So Important

While applying ML to accounting transactions is a game-changer for accounting firms, it isn't everything. Building a successful firm that can achieve scale requires a wrapper of technology to remain organized. The Botkeeper platform layers in a variety of tools to organize, collaborate, and visualize the data a firm needs to be successful.

Many firms, probably yours if you're reading this book, have concluded that they need to be cloud-based. And if your firm didn't adopt cloud-based software and technology by March 2020, perhaps you've come around to appreciate its necessity.



REMEMBER

Cloud-based software and technology like Botkeeper has the following benefits:

- » It allows you to keep all your clients' books up-to-date in real time from the comfort of your home, from 30,000 feet in the sky, or from anywhere else the cloud is accessible.
- » It provides a high level of security that protects your and your clients' data.
- » It eliminates the need to install software updates and allows you to access the software from a variety of devices.

Sheer necessity has removed the resistance to go cloud-based. Now is the time to make the leap. While offices shudder and employees regroup, software and bots don't miss a beat.

Preparing for Deployment

Deployment is the process of gathering relevant information, source data, and third-party connection and defining the Botkeeper playbook for how accounting is to be done on a particular client going forward. Building the playbook involves learning the existing bookkeeping processes and translating them to the Botkeeper workflows. If you put the old process on a new technology, you won't get the return on investment.

Traditional firms use a bookkeeping technology stack such as Excel, a workflow tool, QuickBooks desktop, and Hubdoc among others. Botkeeper either replaces or integrates those tools with its white-label platform designed to perform all the tasks you need, making some technologies external to Botkeeper redundant.

These sections examine in greater detail what happens during the deployment process and what tools you'll have access to with the platform.

Recognizing what happens during deployment

Prior to deployment, a Botkeeper white-label platform is provisioned for each accounting and CPA firm. The platform is a unique online platform with a custom sub-domain and firm branding. This way, when your clients are invited to the portal, it looks and feels like part of the firm’s website. Figure 3-1 illustrates the different steps that happen during deployment and explains what the different parties do in each step:

1. Hold a kickoff call and gather requirements.
2. Link accounts and train clients on how to use the portal.
3. Review relevant accounting.
4. Execute the first month of botkeeping.
5. Handle the second month of botkeeping and month end.



FIGURE 3-1: Botkeeper’s partner deployment process.

Tapping into the platform’s tools

The Botkeeper platform is a technology tool belt for accountants and bookkeepers, with various functions that either automate processes or make them easier for a bookkeeper or accountant to perform. Best of all, the platform comes embedded with human Q/A, review, and customer support so you can be assured you aren’t going it alone and your clients’ books are in good hands.

The Botkeeper tool belt includes the following:

- » **Partner teams:** The customer success team handles deployment and plugs in all the essentials. Your designated growth partner is your coach and advocate as you work with Botkeeper. Refer to Chapter 4 for more about what the growth partner and customer success teams do for you.
- » **The technology platform:** This platform includes a communication portal, dashboards, secure document management, and task manager. Via the task manager your firm works collaboratively with the bots by providing additional information when the bot is unsure about how to categorize a certain transaction. You'll receive a notification when the bots need the help of a human hand to make sure a transaction is properly identified.
- » **Conversion to botkeeping from old-school systems:** Remember the last time you moved? You probably didn't realize how much stuff you had accumulated until you had to pack it all up. The same goes with the conversion from desktop to cloud. Firms often don't realize how many systems, processes, and data points they have until they need to be aggregated. Botkeeper handles the software migration from the desktop accounting to the cloud.



REMEMBER

To ensure a successful deployment, Botkeeper additionally gives you a complete analysis of important information, including IP (intellectual property). Botkeeper makes sure to capture and document all that good stuff — the knowledge of the firm that lives in your managers' head and institutional knowledge that isn't captured anywhere else in any way, shape, or form.

If your firm has clients that use tools not yet provided by Botkeeper, like Shopify or Toast, Botkeeper will maintain that client's workflow with those external platforms. The goal is to deploy with as little disruption as possible, which is why the decision of which clients to deploy on the Botkeeper platform is left to your discretion. Botkeeper provides all the necessary information your firm needs to determine which of your clients will get the most out of the Botkeeper platform with the least amount of effort. And of course, your growth partner is always available to help navigate this decision with best practices.

Some clients retain a specified technology stack external to the Botkeeper platform, which is where Botkeeper really shines. As Botkeeper works with your client's accounting data, it also learns where it needs to grow as an accounting technology service. New third-party applications are integrated regularly depending on demand, and in the interim Botkeeper's growth partners ensure the success of clients who may have extra needs.

CASE STUDY: GETTRY MARCUS, CPA, P.C.

Gettry Marcus CPA, P.C. is a Top 200 firm with offices in Woodbury, New York, and New York City. Gettry Marcus provides accounting, tax, and consulting services to commercial businesses in a variety of industries and high net-worth individuals and industries. The firm's focus is on building value for its clients.

In 2018, Gettry Marcus recognized an opportunity for growth in the small business sector. Managing Partner, Steven L. Marcus, CPA said, "A few months in, it became clear that this market would have different needs than our existing clients. After evaluating what our firm's long-term strategy was for this sector — to grow and scale — we knew we had to explore what an outside platform could do for us. We had made progress, but we weren't exactly where we wanted."

Botkeeper "explained the platform, the power of automation to help scale and grow. . . all the platform's features and functionality," he said. "They showed us how Botkeeper's offerings could help attract new clients by giving Gettry Marcus more robust solutions for small businesses. We were paired with a growth partner whose role was to help us achieve our goals and success measures." According to Steven, diversification with a high-tech platform was transformative.

He "liked the fact that Botkeeper was using a high-technology platform and is always iterating on their technology. I was thrilled to see their use of bots to automate accounting tasks. I also liked the fact that there are investors in the Botkeeper organization. I felt very comfortable with the platform."

Now that Gettry Marcus is up and running on the Botkeeper platform, the firm is realizing the results it hoped for.

“We have the strategic partner we needed! We knew we weren’t big enough to do this all in-house. We had our target list of customers before partnership—seemed like a stretch—but we took a fresh look at what Gettry Marcus could now offer with Botkeeper by our side. We had an entirely new cutting-edge solution, beyond just bookkeeping for small businesses.”

“I can safely say that Botkeeper is the reason we can confidently transition 90 percent of our small business to Virtual (VRTL) Accounting Services Group. We have an outstanding platform that uses artificial intelligence, meaningful features that help us display and analyze our clients’ data, and exceptional customer service from both Gettry Marcus and Botkeeper. The trifecta!”

Beyond their growth in virtual accounting, Gettry Marcus has experienced incredible time savings. The firm is now able to expand its focus on client support.

“With our first onboarded clients to the Botkeeper platform, we saw at least a 30 percent decrease in time needed by our accountants to complete their bookkeeping. We let Botkeeper handle repetitive tasks, so we can spend our time providing higher value, advisory service to our clients. Direct bank feeds and the automation provided by Botkeeper makes the monthly close time very quick. It happens almost immediately. We’ve taken our monthly close process from 30 to 45 days on average, to closing the books in 10 days! We now look at our client’s activity proactively vs reactively.”

Steven looks to onboard more clients in the coming months. “I expect Botkeeper will save us at least 50 percent of the time we spend on books.” This time savings enables the firm to grow its small business sector and become a leading internal accounting provider and consultant for this market. The firm also plans to replace some of the existing software it currently uses and pays for with Botkeeper.

Scaling Your Business

Scaling is a simple word, with many meanings in business. The question your firm needs to ask is if it’s ready to scale.

It begins with a straightforward enough question, “Is it repeatable and trainable?” The “it” being whatever business or concept that you as the leader wants to scale into a market.

Another important question to consider is whether it can be delivered by people, not you, but others or a team, even teams of teams. If the answer is yes, then it is scale ready. I (Chris) worked with Salesforce founder Marc Benioff for the first four years of salesforce.com's scale. Marc was legendary in saying, "scale into proof." These few words sum up my cardinal points when applying the litmus test for scalability; if the proof is there, then scale can be achieved.

Consider the scale-ready formula:

$$\text{Thesis} \times \text{Market Traction} \times \text{Revenue Proof} = \text{Scale Ready}$$

The following list explains this formula in greater detail:

- » **Thesis:** The *thesis* is your *it* — your unique value, method, solution, technology, process, and so forth as defined by you, the leader. It can really be anything, but it must be yours, ideally unique, differentiated, delivering value to your clients. That value must be discernible by your clients in a short period of time.
- » **Market traction:** *Market traction* is the client's experience of your thesis. Does your solution (tax, advisory, technology, machine learning, or otherwise) deliver unique value? This traction is only measured through the client's eyes. Your board's, founders', executives', and advisors' opinions and assessments don't matter. Only the client's vote counts. Truly. If that traction is positively tried and tested by clients in a quantifiable and discrete way, then you're scale ready.
- » **Revenue proof:** *Revenue proof* refers to several factors that need to be in place in order for you to truly scale. First, clients will pay for your service, on solid arrangements based on the economic value of the service provided, as valued by the market and your client. Secondly, clients must continue to use and pay for your service.

Achieving these points of thesis, market traction, and revenue proof must be done while earning margins that justify your time and focus, the investment of your team's time, and it must be worthwhile for the near and long term. It takes a collective and a lot of focused energy over an extended period of time to scale your services and solutions.

Thesis, traction, and revenue proof are the basis. Talking scale before they are in place, in my experience, isn't realistic. So, there you have the first three things. What next? Equity for the people who will make your dream as a leader come true.

You may be thinking capital, and although that's true, in this context, equity refers to the meaning and value of the employee's experience. Scaling your services takes a dedicated team of talented, invested believers, and in order to foster belief, there must be a fundamental ethos of team equity.

Equity is a cause: passion, ownership of stock, advancement, skill development, the experience of creation, camaraderie, and growth to name a few. Founders often forget that they start a ball rolling and then many others turn it into the market-defining success story the team and executive leaders experience.

A place must be equitable for all — a place for all team members to be invested in with their mind, professional skill, ambition, creativity, and drive. The very first meanings of equity in English were a direct translation from the original Old French *équité*, a word whose Latin root means “even,” “just,” and “equal.” A truly equitable environment in the sense of “even, just, and equal” will attract the talent to create a culture that will scale a thesis into great profit, unique difference, and legacy.

IN THIS CHAPTER

- » Introducing how growth can be attainable and fun
- » Making sure you have the right mindset platform deployment
- » Evolving your team and process to make scale realistic

Chapter 4

Enabling Your Firm: A Recipe for Your Success

Accounting firms have struggled for years with the ability to truly scale a firm. They've grown organically and slowly or inorganically through mergers and acquisitions. Their mergers and acquisitions have created even more internal disfunction around processes that inhibit additional value creation. Alternatively the acquisitions include clients who may be smaller than the larger acquiring firm would typically serve. One of the biggest challenges for a firm is to standardize its accounting processes across the firm and partners. In order to truly grow, standardization is key.

In this chapter, we provide an overview of how the Botkeeper platform can help standardize how your accounting teams work and break down internal firm silos so your firm can grow.

Creating Opportunity for Scalable Growth

You've signed the agreement to engage Botkeeper. The sales process is over. Now the focus is on growth. The growth team's purpose is to help you get the most out of your new relationship with the Botkeeper platform.

Sometimes firms feel frustration with all the details that need to be defined and explained to Botkeeper and how every step of a firm's process gets pulled apart. In a traditional CPA or accounting firm, the expectation is for the bookkeeper or the accountant to just know how it's all done.

Botkeeper hyper-defines everything, almost to the point of pain, but that's how the platform is able to help your firm grow. Botkeeper dissects every aspect of the accounting process from onboarding a client, to pre-accounting, to collecting the documents, to processing the transactions, to delivery — all in a methodical, trainable, scalable way.

The onboarding processes allow Botkeeper to collect the necessary data and details needed to train its ML and software and deliver the scalable onboarding solution you purchased. Quite frankly, you have to be able to train a bot, and most firms barely train their teams. This meticulous attention to detail is the key to successful automation.

Eyeing Your Growth Team's Main Responsibilities

You can expect the following from the growth team if your organization decides to use Botkeeper:

- » **Having one point of contact:** New platforms and processes can be confusing, so your Botkeeper growth team, especially the growth partner, will help you navigate the deployment, customers' success, and operations teams with ease.
- » **Evaluating your current client base for Botkeeper platform readiness:** The growth team, in particular the growth partner, gets your current client base on the platform, frees up your time, and helps you to scale.
- » **Getting your whole firm onboard:** The growth team can help sell new botkeeping services to new firm clients and accounting services across partner silos.

Most of the time when a firm signs up for Botkeeper, the firm is assigned a growth partner. Consider your growth partner an

extension of your team whose sole focus is on your success in implementing, using, and scaling Botkeeper across your client base and partner silos. Refer to the next section for more on what the growth partner does.

Meeting Your Growth Partner

CPA clients have specific needs. The presales team collected all your clients' specifics. This information helps the Botkeeper team organize and onboard the firm's clients in the most efficient and scalable manner.

Entering any new relationship has its getting-to-know-you process. It's a combination of being awkward, sometimes uncomfortable, but usually very exciting. Both sides have expectations and needs to be met. That's where a growth partner steps in.



REMEMBER

A *growth partner* is a dedicated professional who manages Botkeeper's partnership with your firm. He or she handles communication, coaches your firm on best practices, supports your firm's growth goals, and makes sure your firm's needs are being met completely so you can focus on growth and your new accounting clients. Sometimes with new software, firms' expectations from the sales process aren't delivered, and new firms are unclear of certain expectations or how to interact within the partnership. The person who signed the contract or purchased the platform may not be the person who uses the platform every day. That's why the growth partner is there.

In other words, your growth partner reviews your firm's goals such as the following:

- » Identifies your firm's goals and objectives
- » Maps your firm's existing processes and workflows to the new and more efficient botkeeping workflows (customizing the platform where needed)
- » Figures out what your firm wants out of the partnership
- » Specifies the services to be provided to your firm
- » Keeps lines of communication open and removes all barriers to ensure the platform is delivered smoothly

- » Verifies the Botkeeper team delivers on the expectations of this new relationship
- » Increases growth via faster and more systematic client onboarding
- » Allows you to spend more time and deepen relationships with your clients and less time manually processing low value work. Research has shown that more interactions and communication with clients significantly increase not only retention but also the amount of money that clients spend with you.
- » Helps you say no to clients that don't fit a scalable model.
 - Clients who aren't willing to give you banking information
 - Clients who are unwilling to change
- » Serves as the main point of contact for all questions and concerns

The growth partner makes this partnership a successful one that delivers value and actually grows your accounting firm.

Knowing What Happens after You Sign: Onboarding

Converting to Botkeeping from old-school systems or from many internal systems is complex. Firms often don't realize how many systems, processes, and data points they have until they need to be aggregated. Botkeeper takes care of it all in order to guarantee full 360-degree coverage.

The following steps aren't unique to Botkeeper nor the platform itself; however, we've yet to see another accounting firm go about every step of the accounting process from onboarding a client, handling pre-accounting, collecting the documents, processing the transactions, to delivering in such a methodical, trainable, scalable way.

The order of these steps is important to allow technology to automate the process and train your bot. That's why knowing what happens during the onboarding process is imperative. After you meet your growth partner, the following steps get you up and

running quickly. These details are essential to keep your Botkeeper team running smoothly.

1. You educate and provide your growth partner with the specifics about your clients and their bookkeeping needs.

Some of the relevant questions include the following:

- How many bank accounts does each client have?
- Does the client need catchup or cleanup work?
- Does the client need specific additional services?

2. You have a kickoff call with Botkeeper to go over all the details of the new arrangement.

No time is wasted, and both Botkeeper and your CPA firm are aligned. During the kickoff call, your growth partner discusses how the process works more in detail. She will

- Explain how the platform will integrate with your systems
- Discuss the scope of service on initial clients
- Introduce you to the branded portal
- Make sure that any other expectations are clarified
- Explain the deployment process and timeline
- Offer support during this process



REMEMBER

3. The growth partner and the firm partner come up with a plan, while the customer success team implements that plan.

Your customer success team gets into the nitty-gritty details with you. This team manages all the bookkeeping details that are needed to onboard your CPA or accounting firm. The customer success team does the following:

- Works with your CPA firm to make sure all your clients' bank account statements are uploaded.
- Makes sure your clients' credentials are uploaded in the bank authentication tool.
- Reviews all the accounting specifics and current books.

- Talks over any questions that the Botkeeper team has from its initial review of your books.
 - Requests any outstanding information that you still need to provide.
 - Makes the playbook, which is made for every client. The *playbook* lays out the specific accounting tasks handled by a bot and addresses your firm's unique needs, defines who is responsible for which function of the accounting process, and covers all the details that go with each process.
- 4. After the customer success team finishes gathering the previous information, the team can send the ongoing work to Botkeeper operations.**
- The bot operations team performs an accounting assessment that has a 48-hour turnaround time. After that team confirms it needs no further information, the team can begin the bookkeeping process.
- 5. Botkeeper delivers the accounting through a combination of artificial intelligence, machine learning, and skilled accountants for the final piece that can't be automated.**

Considering Daily Activities — Eliminating Data Aggregation

Your firm may be taking daily actions that accidentally prevent the firm from growing. It's not that the work doesn't get done, the work just gets done manually and slowly.

Humans are slow, and by virtue of being slow your firm is limiting your growth potential. Specifically, *data aggregation* — acquiring and organizing data — is one of the most important daily activities and the least interesting task your firm's team members do. Automation helps your team members find lost time by removing remedial tasks from their plate. Botkeeper takes the weight of that data aggregation — the *pre-accounting* — off your accountants' shoulders so they can apply themselves to higher value work, advisory work, or just about anything that only humans can do. Check out the nearby sidebar to see how Botkeeper solved the pre-accounting headache.

LOOKING TO ELIMINATE WASTED HOURS: ONE HOUR AT A TIME

During the weekly status call, the Botkeeper growth team uncovered a staff accountant who had been spending approximately ten hours a week manually adding Excel cells, not using formulas, for a winery client.

The accountant was adding the winery's inventory of wine bottles for ten hours in a 40-hour workweek. That's one-fourth of the workweek spent manually going through Excel.

Botkeeper helped find better solutions to save that time, starting with taking that Excel work off her plate.

Understandably, some accountants are fearful that automated software may take their jobs. Botkeeper's goal is *not* to take away anyone's job. Botkeeper wants to eliminate those ten hours of manually adding thousands of Excel cells together so that accountants can dedicate time to value-added work that will benefit the firm.

Managing Your Bots' Workflow

One of the biggest pain points that your CPA or accounting firm faces is the lack of *workflow* — in other words, how work moves through your office both digitally and manually. It's like a task tracker for your business.

Many firms don't have good internal standardization of process and data in one place. Adding workflow to something that is unique with every client and has distributed data within many internal and external sources is a monumental time and energy saver. The Botkeeper partner platform houses all your firm's bookkeeping data in one place. Botkeeper brings financials, task management, communications, files, statement fetching, receipt capture, and dashboards to one centralized location, which can transform how a firm runs.

Specifically, in terms of workflow, the Botkeeper platform does the following:

- » It provides a standard of accountability for monthly tasks.
- » It helps keep you from falling behind data collection and reminds you of specific tasks and procedures that need to be completed in hierarchical fashion.
- » It automates and schedules tasks that require bank authentication, so you don't have to rely on clients to get login information.
- » It provides safety and security to your clients' confidential information. Using bank grade encryption, integration, and storage, you can rest assured knowing your clients' credentials and data are stored safely.
- » It helps traditionally siloed firm partners standardize their processes, data, and files across the firm, which is especially helpful because much of this bookkeeping work comes from acquisitions.

In old-school firms, a staff accountant knows he has to meet with a specific client next week (we refer to the client as Client XY in this example). The week before the meeting, he makes sure to get all Client XY's data updated. He adds it to the general ledger file and verifies all the client's information is caught up before the meeting.

He doesn't follow any workflow, standard set of processes, or accountability. He may have a checklist, but the checklist typically isn't electronic nor accessible for collaboration with Client XY, the accountant, and the firm. In this scenario, outside sources — clients and CPA firm team members who behave erratically — drive the workflow. There is no accountability. How often have you been waiting for the staff accountant or client to send you information? Many firms experience this wasted time, which wreaks havoc when your firm is completing tax returns or trying to get through month-end for all its clients.

A REAL-LIFE ACCOUNTING SOLUTION: TM2 ACCOUNTING SOLUTIONS

Tm2 Accounting Solutions in Nashville, Tennessee, was founded as a better way to serve and meet clients' financial and tax needs. Starting out as a side gig for business and real-life partners Tiffany and Kristopher Miller, Tm2 quickly grew into a flourishing accounting firm.

Tm2's rapid growth revealed a bandwidth challenge. How could the firm offer exceptional services to its clients with limited in-house talent?

"We were spending 30+ hours per week categorizing transactions," Tiffany said. "It was impossible for us to get to all of Tm2's clients' needs in a single day. We needed someone or something that could be quickly integrated into our existing operations before tax season came around."

Kristopher shared with Tiffany after he had heard Botkeeper CEO Enrico Palmerino present at an accounting seminar. "I realized that this was something that could be transformative for us, providing a modernizing and differentiating solution — something we had already been thinking about for our long-term strategy," Tiffany said.

The tech enthusiast decided to do some research. "It was apparent that Botkeeper's use of machine learning could make us stand out from other accounting firms," she added. "Botkeeper also did everything that we needed to help us get our client's books done, including categorizing transactions, reconciling deposits, and revenue — time-consuming tasks we were doing ourselves."

After Tm2 met with the Botkeeper team, Tiffany and Kristopher did a break-even analysis of using Botkeeper's bookkeeping solution versus bringing on a new employee. Botkeeper won, providing a cost-effective, long-term solution (no training, no vacations, no learning curve). Signing with Botkeeper delivered an automated solution for mundane tasks, a team of accounting experts, a platform that accommodated Tm2's growing business, and the reliability of 24/7 assistance.

"The beauty of Botkeeper is its ability to scale and adapt to our growth," Tiffany said. "After using Botkeeper for six months, we've

(continued)

(continued)

been able to save 30 hours per week on transaction categorizing, five hours per week of reconciling deposits, and ten hours per month on reconciling revenue for just one client!”

One example sticks out. Tiffany was directly managing one of the firm’s most important accounts, when a flood of new transactions appeared at 6 p.m. She reached out to her client — through the Botkeeper Financial Hub — for more clarity.

When she arrived at the office the next day, expecting a ton of last-minute manual work, it was already done. Overnight, Botkeeper had seen the client’s response and categorized the data; the Botkeeper accounting team verified the entries — all before Tiffany woke up. The information was properly entered into QuickBooks Online, and the client was pleasantly surprised to see things handled so efficiently.

“I was absolutely blown away,” she said. “I actually checked a few transactions just to confirm they were correct. Everything was perfectly categorized, and it all happened while I was asleep. This is when I truly realized the value add of Botkeeper.”

In the six months since going live with Botkeeper, Tm2 has saved more than 720 hours of labor, and the firm was able to identify a new revenue stream that amounts to more than \$4,500 per month. This revenue comes from contract agreements with other accounting firms, allowing them to use the Botkeeper white-labeled portal for their clients. With the addition of time and revenue, Tm2 is expanding its book of business and has hired two additional team members.

“The future of accounting is going to be automated, and Botkeeper has given us the advantage to respond to that. Tm2 is going to continue building with Botkeeper so we can continue to grow our highly-efficient, highly successful, customer-centric firm.”

Making Deployment with Your Clients Easier: Tips and Tricks

In order to grow, you need to be able to get your clients deployed quickly. The following sections give you some tips to make deployment run smoothly.

Bucket your clients

Group and prioritize your clients based on their level of adaptability. Put them into groupings like this:

» **Clients who will be easiest to transition to Botkeeper:**

Clients who are already cloud-savvy or open to new ideas and just need a little push.

» **Clients who will need more hand-holding when transitioning:**

Traditional clients who are used to a face-to-face handing off of paper documents (bank statements, receipts, and so on) may have a harder time adjusting to a fully automated platform.



TIP

Transition your more adaptable customers first so you can see their process (those who are a bit more tech-savvy or comfortable with change), and start documenting questions they have. That way, by the time you get to your less adaptable customers, you're armed and ready.

Remember that change can be difficult

Sending a quick email to your clients outlining the shift to the Botkeeper Client Portal may be an easy thing to do. However, doing so often overlooks the biggest question your clients might ask: Why? Reassure them up front that you're still working with them as their trusted advisor and that you believe this software will help you provide better service.



REMEMBER

Keep the following steps in mind to make the transition go smoother for your clients:

1. Announce to your clients that change is coming as early as possible.

Doing so helps set expectations, allows you to get ahead of any preliminary questions, and warms up your clients for next steps.

2. Take the time to reinforce your relationships with your clients.

Explain that you (or your team) will still continue to serve your clients and will be overseeing any work the bots perform.

- 3. Address their concerns, needs, and reassure them that any unique processes your firm currently performs for them will continue.**
- 4. Speak to what's changing.**

Get the language and changes buttoned up for your firm, such as the firm's clients will have a new portal. Internally let your team members know how it will be rolling out so they're ready to respond to clients' questions and everyone is on the same page.

Specifically address the following:

- Are you adjusting your pricing for your clients now that you have Botkeeper? If you traditionally billed by the hour, you may need to mention pricing.
- Will you be adding some new language into your contracts about any tasks being performed by a third-party service or data being hosted externally? Now is a great time to send a disclosure or clarify expectations on services.
- Do you need to add disclosures in your client engagement letters about the Botkeeper Operations team working outside the United States? Some firms like to add disclosures around where work could be performed, such as not in their local office.

The most successful firms have gradually rolled out the Botkeeper Platform to ensure their customers felt acclimated to the tool. After you're comfortable with the platform, show your clients around, go through the various elements of the portal, and make sure to hit on the benefits of the new experience.

After your clients see their accounts and third-party applications connected, they'll have a new holistic view of their business including both financial and nonfinancial information.

As an admin on your client's account, you can block certain features by going to the client's settings menu in the portal, which empowers you to release features to your clients at your desired pace.

Communicate, communicate, communicate

Whether Botkeeper is communicating with your colleagues or clients, don't forget to divulge who will be doing what and when. Maintaining relationships during the transition to the Botkeeper platform is key for a happy client transition. Keep the following tips in mind:

- » Explain that the simple, automatable tasks are covered by automation, and if your clients need you for anything — performing a complicated task, for example — let them know they can always pick up the phone and speak to you or send you a quick email if they need help. Reassurance goes a long way.
- » Highlight any similarities in the current process and flow to make them feel more comfortable using the features of Botkeeper.

If your clients are already on QuickBooks Online (QBO), they're probably accustomed to connecting and reconnecting bank feeds. Botkeeper's bank authorization feature is the same process they would experience on QBO, and it's just as secure.

Managing Your Customers and Expanding Services

Botkeeper wants to help CPA firms like yours find opportunities for scalable growth. Typically, multiple outside consultants would need to be hired to help a firm go through a digital transformation and grow, or scale, their bookkeeping services. This transformation can cost thousands of dollars, and those consultants have no vested interest in sustainable change. There's also a significant amount of internal learning and a lot of trial and error around each specific piece of accounting technology.

The growth team helps facilitate change by managing your customers and explaining services. And it's all done on one platform. Here's how:

- » **Internal adoption:** Most firms start with five or ten clients to gauge culture shock and potential speed bumps. Then Botkeeper applies what they've learned from the initial startup to grow that five entities to 100 entities.
- » **New sales:** Any new customer that these partners are bringing into the firm can be up and running on Botkeeper right away.
- » **Silos broken:** In many CPA firms, partners' books of business are siloed. Botkeeper can streamline silos across firms. This helps you operate your firm more efficiently, collaboratively, and uniformly.
- » **Consulting help:** Botkeeper can find additional value points around other software for your clients. Perhaps a better software may be available to manage your accounts payable or a better system for ecommerce. Botkeeper can find those services and integrate them.
- » **Success shared across firms:** Botkeeper sees what's successful at other firms and can provide practice management consulting, advise firms on even more ways to be efficient, and identify points of automation.

Managing and Upscaling Your Internal Talent

We suggest you have a digital native or a tech-savvy accountant in your firm be the Botkeeper *lead* — the person who embraces, learns the platform, and keeps everyone in your firm updated on any enhancements. Having a proactive, tech-invested person take ownership increases the growth potential for that team and for the firm. If the lead is less excited about change and incorporating software into your firm, the process and outcome can be cumbersome.

Botkeeper adoption often starts with one excited staff accountant who gets six or seven of her clients on the platform. She can then demonstrate to senior management how well it works for those clients *and* how much it frees up the accountant to do more creative work. Those initial onboarded clients can be used to prove to management what a great opportunity Botkeeper is and energize them to embrace the platform across the firm.

Teams fearful of being made redundant by technology soon realize that the bots aren't replacing them but rather are arming them with additional services. The accountants can perform their jobs more accurately with greater organization and speed. By adopting technological advancement and Botkeeper, you're helping your accountants be a better version of themselves.

The opportunity to digitize the accounting process is right in front of you. You can add value to your firm through technology to your firm, and adopting it demonstrates a forward-looking attitude and a desire to remain competitive in a digital age. Botkeeper gives your firm an edge at attracting and retaining top young talent who expect technology to be part of their work life. Technology also equips your firm with what younger business owners, likely to become a majority of your client base over the next 10 to 15 years, demand as they and their businesses grow and mature.

The desire to incorporate technology into the age-old practice of accounting paints a picture of the next generation of firm leadership. Botkeeper gives younger team members an opportunity to demonstrate higher-level advisory work and perhaps move along the partner track at an accelerated speed.

IN THIS CHAPTER

- » Introducing new ways and ideas around pricing services
- » Creating advisory services as a regular offering
- » Evolving your practice management measurements
- » Facilitating and integrating streamlined mergers and acquisitions

Chapter 5

Adapting Your Practice to Botkeeping

Accounting firms have struggled for years with several aspects of their business model to the detriment of offering advisory services. CPA firms and accountants spend so much time trying to get the work done and the data right that doing additional advisory work is difficult.

Accountants need to be better at owning their value and getting paid for the work they deliver. A big part of doing so is moving past the outdated billable hour and outdated client needs. Sit down with your clients and look into what their business needs. You'll probably find that compliance-driven work isn't half as important to them as advisory and planning. Both the billable hour and what occupies it may need a digital age upgrade. Additionally, the hour doesn't do justice to the value delivered by accountants, and anyway, how do you bill a bot that takes seconds?

As a profession, accountants have to figure out new metrics to measure the profitability of a practice. There's also the opportunity to restructure or make transparent team accountability: like who delivers which service offerings. Finally, as mergers and

acquisitions (M&A) are common, firms need to find more opportunities to integrate and create value through M&A.

This chapter provides an overview of how the Botkeeper platform can help redefine practice management with tools and methodologies that get your firm running better and more profitably.

Pricing Your Services: How-to Price Bots to Customers

After you decide to automate and use bots to do work that used to take many human hours, you need to rethink your practice management. Why? Because you can't bill according to bot time. You have to think about value over time and about pricing your services according to value add. If you were to continue to bill for time in an automated, bot-driven firm, you'd either make almost no revenue, or you'd have way too many clients to serve and have a customer service problem. Here are a couple of the schools of thought on pricing:

- » **Fixed pricing:** A set price for a specific set and scope of services. A similar set of variables that define pricing structure, such as transactions or revenue.
- » **Value pricing:** Value pricing is pricing before the service is performed and based on the value the customer perceived before the work has begun.

Many firms get caught up in the fact that their costs when utilizing bots are significantly lower than before, which is why cost + pricing no longer works as a blueprint. Up-front pricing is a necessary approach given the technological advances in the field.

The advisory piece of accounting needs to be separate and distinct from the automated or data-entry based labor. (Refer to the next section for more about the advisory piece of accounting.) When pricing engagements, you have a core offering with a fixed rate and then a custom or ad-hoc offering for advisory service.

Without time and billing, alternative methods and practice management metrics have to be determined. But the really cool thing is that with the bots, you'll have the data you need to determine new practice management methodologies. The data, because it's automated, will be more accurate than an old-school timesheet. With the addition of bots and data, your firm can measure its employees on a variety of results-based metrics, and you'll have the data to substantiate your findings.

That said, the bulk of the profession isn't there yet. Value pricing a business is disruptive to most CPA firms' core management and cultural philosophies. Change can disrupt how your firm manages its employees and its sense of control. This disruption creates vulnerability, which is terrifying to firms and CPAs who believe in old-school time and billing. These shifts completely change the interactions between teams and customers. They require a new level of trust and authenticity, which can also be terrifying. No one said digital transformation and bot adoption would be easy.

Understanding What Advisory Accounting Really Means

Your job as a CPA is not to be a fortune teller.

Your job is to provide subject matter expertise. What financial professionals can offer to their clients is a better understanding of the implications of financial documents and laws. The best and most helpful thing you can do in this *advisory* atmosphere of accounting is to listen to your clients' questions and concerns and answer them by providing blueprints of several different options — a few different paths their business could potentially travel down and the various outcomes, pointing out the benefits and risks involved in these options. This information gives them the autonomy and power of choice and provides insight into their level of risk adversity.

Your strength as a CPA is arming your clients with the right information to help them make the educated decisions that work best for them and their business vision. A big part of that is data. And no one collates data better than a bot. The bot provides both

financial and nonfinancial data points for you to study in order to make your recommendations. The dashboards also make explaining that data easy.

Collate your findings into categories:

- »» What you know for sure
- »» What you don't know
- »» What you wouldn't do

These three categories can serve as the basis of an advisory approach. Advisory work can feel overwhelming for the rules-based CPA, but just remember you're as well informed as anyone — and you have solid Botkeeper data at your fingertips.

These three categories can provide structure for information gathering, organizing, and presenting to your clients. It's not your job to tell your clients which move to make. You can simply and powerfully advise and provide relevant information.

As a CPA, risk is your nemesis. Two categories of risk are risk of doing nothing or risk of taking action. No one wants to suffer loss, which means clients don't want to suffer a loss of face, a loss of reputation, or a financial loss as a result of making a bad decision.



TIP

The best way to combat risk and loss is to stay focused on the present and what you know for sure. If you focus on what you know, what your bot-derived data is telling you, and how best to explain your findings to your clients, you'll find yourself moving forward. Putting one foot in front of the other and in the process, you may just find that bot-based, advisory next practices will emerge. Everyone knows what a best practice is; it's up to you and your firm to define and create next practices as you innovate. As a CPA, you sit in the client's financial underwear drawer holding space and being there — giving information, industry insight, and data — helping your clients process the good and the bad.

Marketing and Selling

After you automate and have the opportunity to continue to add clients without the struggle of adding teams to service them, it's time to market. Here are some basics to everyday marketing:

- » **Go digital and pursue inbound marketing.** If you're not doing this already, your new priority is moving away from outbound calls and towards being found online. Business owners *are* looking for you. Ensure you have a solid website, create meaningful content (important for search engine optimization *and* credibility with your audience), and make sure your site has clear call-to-action opportunities. Ask yourself, "After someone lands on my site, what do I want her to do next?"
- » **Use your resources wisely.** Get scrappy with tactics like reaching out to your clients for guest blog posts or leveraging free templates for emails.
- » **Lean on the platform where you can.** As part of the mission to enable accounting professionals, there's a repository of marketing resources such as one-page templates, custom industry overviews, a full year of social media post ideas, and much more!



REMEMBER

You can market and grow continuously. Marketing isn't a chicken or egg problem. Grow your firm and Botkeeper will scale your backend data and accounting.

Considering Mergers and Acquisitions

Long-term survival of CPA firms is hinged on technology.

Firms that haven't invested in technology are at a crossroads, wondering how they can grow into a future that is defined by working remotely and being cloud dependent. All firms are wondering what "long term" looks like, and right now the answer is technology. Many firms are looking to be acquired as a way of handling a lack of in-house tech answers, whereas other firms are seeing an opportunity to acquire.

Because Botkeeper solves the technology problem seamlessly through machine learning (ML) and artificial intelligence (AI), your firm doesn't have to figure out how to use technology, you simply need to acclimate to a new user interface. The terms ML and AI sound impressive, but they're just problem-solving tools brought together and packaged to make your firm work smarter.

If you hear ML and think algorithms and feel immediately overwhelmed, don't worry! The algorithm and tech end of things is the domain of the engineer. All your firm has to do is use the platform, as you would QBO or even Gmail, to transfer information, gather feedback, and stay on top of tasks.

And just remember, the bots that automatically identify and categorize transactions don't have a learning curve, which means the M&A process is incredibly simple now. Acquiring a CPA firm and assimilating its clients is automatable. So, your firm, post-merger, can jump into providing the valuable services your clients expect.

Here are some reasons why CPA firms sell and merge:

- » **Desire to retire:** Partners and owners who were thinking about retiring in the next couple of years are realizing that cash availability is limiting their ability to close shop. Compensation and retirement benefits aren't what they used to be. So, if you're not up for working for another five years and don't want to see that hit in your retirement plan, selling or merging with another firm is a strong option.
- » **Industry-specific client base:** All firms, large and small, are losing clients, particularly if they're in some of the hardest hit industries. If your firm specializes in the restaurant/bar business, or travel sectors, areas that have been seriously impacted by the COVID-19 pandemic, then your future is uncertain and perhaps selling what remains of your firm is the way to go.
- » **Cashflow:** Small firms are small businesses, and if the cashflow becomes perilously low, your options as a business owner become painfully narrow. However, buyers out there are looking to pick up firms.
- » **Technology:** If a small firm is stuck in the '90s, then today's environment is a very challenging period. A lot of entities can help get your firm up and cloud-based quickly, but if current technology isn't already in your company culture, reckoning with technological transitions in addition to a pandemic may be too much.

If you're looking to merge or acquire, Botkeeper is the perfect tool to streamline the process.



REMEMBER

Botkeeper also provides automation for retirement and hiring processes, making the nitty-gritty of a merger easier for all parties. Many smaller, old-school firms find themselves too labor dependent to utilize technology, which means tech-savvy firms have the opportunity to acquire smaller, not-so-savvy firms. And through the application of Botkeeper's platform, automating and onboarding the firm is easy.

You also have the opportunity to speed up the client transfer process for previously acquired firms. Botkeeper provides guidance on how to handle smaller clients who don't fit in the new firm's pricing or business model.

IN THIS CHAPTER

- » Understanding the internal changes needed to ensure your firm is as successful as possible
- » Setting up your team for success
- » Sharing #CPALOVE

Chapter 6

Ten Tips to Build a Botkeeping-Enabled Firm

This chapter highlights ten ways you can embrace the Botkeeper platform and set yourself up for long-term success.

- » **Pick your platform.** Think about how you want to present your new platform to the world. Botkeeper has a few different options and ideas around how your firm can go to market.
- » **Build your team.** You need internal champions to make any new technology a success within a firm. Find that young go-getter, and make sure she has an executive stakeholder supporting her. Change takes intention.
- » **Figure out whether to niche or not to niche.** Client Accounting Services (CAS Practice) have traditionally said you must pick a niche. With a platform like Botkeeper, you have an opportunity to have multiple niches.



REMEMBER

- » **Choose your weapons.** Botkeeper is a full-service platform, but your firm still has to make some decisions around complementary technologies. This platform is just the beginning of your digital transformation.
- » **Determine your core services.** Bookkeeping means many things to many accounting firms and even different things to small business.

Make sure to define what exactly you want your firm to sell and service. Now isn't the time to do one-offs; doing so is inefficient and exhausts resources.

- » **Create your pricing plans.** Determine your pricing after you decide on your core services. Create some fixed-price plans based on transactions, gross revenue, or approximated hourly rates. Price up front and watch your cash flow increase with the benefit of transparency.
- » **Integrate Botkeeper into your firm's culture.** Botkeeper is a team/firm sport. It starts with collecting and organizing data. Don't forget that a strong culture is built on time-saving technology, great processes, and employees who find value in the work that they do.
- » **Make a conscious effort to build your standard operating procedure (SOP).** At many CPA firms, SOPs typically aren't top of mind. Adopting new technology and growing as a firm are transformative moments in your firm's life.



REMEMBER

SOPs are a set of step-by-step instructions compiled by an organization to help workers carry out complex, routine operations. SOPs aim to achieve efficiency, quality output, and uniformity of performance while also reducing miscommunication and failure to comply with industry regulations. While integrating new technology with Botkeeper, your firm has the prime opportunity to rebuild your SOPs to better support your firm's goals and your team's unique needs. Botkeeper also affords you the opportunity to reimagine your SOPs, what tasks need to be done manually, and the handoffs between bots and your accounting team.

- » **Train your team.** Don't forget new ideas, new SOPs, new processes, and new technologies all take education. You'll need to communicate and have an ongoing training strategy. Make education a part of your digital transformation.



TIP

» **Get social.** Share #CPALOVE. The best part about going through a digital transformation is a cleaner, meaner firm, which makes happier CPAs and happier clients.

Use technology to hone in your goals and enhance your work-life integration. Tech may just be the thing that gets you home earlier, even during crunch time. Share your news on social media with other firms about how awesome it is being a CPA firm in 2020 using artificial intelligence and machine learning. Who knows? You may even find some clients who are wooed by your firm's cutting edge and progressiveness.

About the Authors

Jody Padar, VP of Strategy at Botkeeper, is a known influencer in the accounting space as The Radical CPA. Her mission is to help accounting firms transition from old-school methodologies to exciting new ways of doing business. Technology is one piece of the practice management puzzle.

Byron Patrick, VP of Growth and Success, is so passionate about the profession that he had CPA tattooed on his forearm. An early CITP credential holder and technology adopter leading the way for accountants to learn and embrace new technology.

Chris Mahl, President and CRO, is an experienced executive, operator, and investor with a demonstrated history of driving growth and results. He is relentless about his drive for excellence and growing his teams along with his organization's sales, revenue, and market dominance.

Enrico Palmerino, Founder and CEO, is a serial entrepreneur and inspirational leader. His maniacal execution and emphasis on vision, values, and culture has attracted some of the brightest minds and hardest working individuals to join him in transforming industries.

Discover all you need to know about botkeeping

Today CPA firms and accountants are searching for ways to standardize processes and improve efficiency. They want to provide better service and solve everyday accounting problems so they can focus their attention on more important issues and solve them faster. If your firm is looking for ways to overcome these kinds of challenges and better achieve success, then *Botkeeper For Dummies*, Special Edition is for you. This handy guide breaks down the botkeeping methodology, explaining what you need to know about machine learning, including what automation is, why automation is important, how you can automate your firm, and so much more. This practical guide also explains in plain English the ins and outs of Botkeeper and how your organization can implement it so you can get back to focusing on what matters most.

Inside...

- Understand and define the benefits of automation
- Get a clear picture of the botkeeping methodology
- Examine how to use botkeeping as an accounting professional
- Find out how to incorporate Botkeeper in your organization
- Discover additional resources to help you thrive as a firm of the future

botkeeper
The Future of Bookkeeping

Jody Padar is on a mission to evolve old-school accounting firms to new, forward ways of doing business. **Byron Patrick**, is so passionate about the profession that he had CPA tattooed on his forearm. **Chris Mahl** has spent a career growing and scaling technology companies until they find themselves worth many billions of dollars. **Enrico Palmerino** dislikes bookkeeping so much, has spent nearly a decade trying to automate it away.

Go to **Dummies.com**[™]
for videos, step-by-step photos,
how-to articles, or to shop!

ISBN: 978-1-119-74587-7

Not For Resale



for
dummies[®]
A Wiley Brand

WILEY END USER LICENSE AGREEMENT

Go to www.wiley.com/go/eula to access Wiley's ebook EULA.