



TAX TRANSFORMATION

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NOVEMBER 3-5, 2019

Optimizing Tax Processes to Deliver Greater Value

- Zac Charnecki



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Agenda

- Defining Value
- Diving into Process
- Optimizing Impact
- Move the Needle



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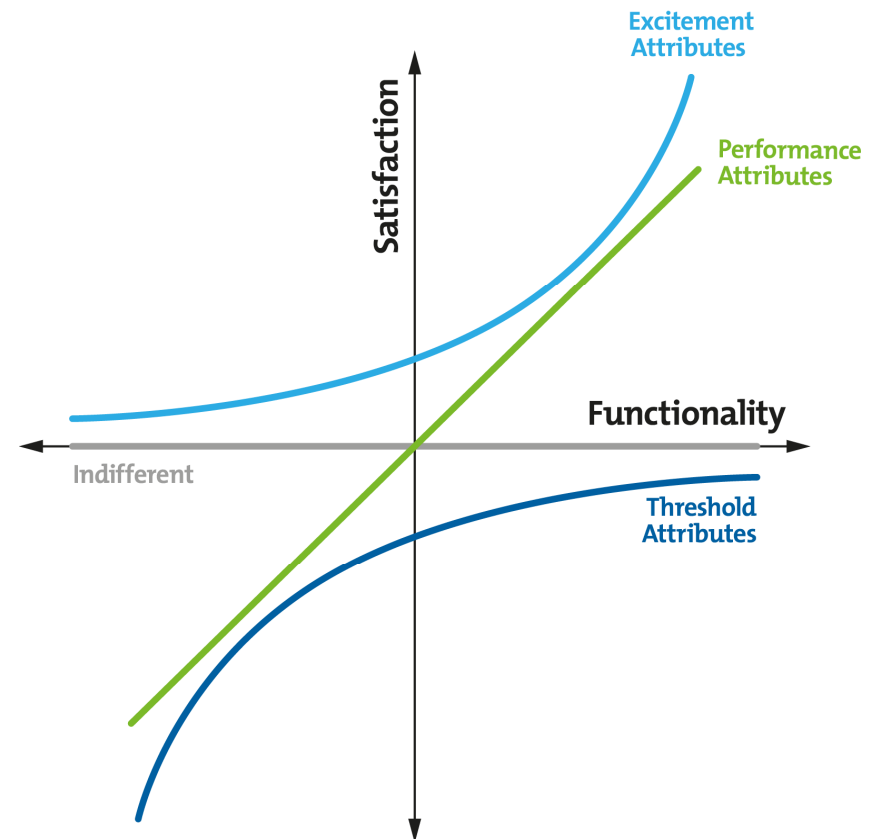
Defining Value

“Here’s something to think about: How come you never see a headline like
‘Psychic Wins Lottery’?”

- *Jay Leno*

Kano Model

- Client's needs
 - ▶ Expected – must have
 - ▶ Expressed – more is better
 - ▶ Unexpected – delight, wow
- Unexpressed - Find them!
 - ▶ Differentiators
 - ▶ Experiment
 - ▶ Survey



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Value is in the eye of the beholder...

- Clients – what do they value?
- Associates/Partners – what do we value?

- ▶ Neatly Typed Compliance Forms
- ▶ Envelopes for Vouchers
- ▶ Timely Delivery
- ▶ Error Free Preparation/Filing
- ▶ Advisory / Consultative Insights
- ▶ Benchmark Data
- ▶ Analytics & Trend Forecasting
- ▶ Discounts



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Voice of the Customer (VOC)

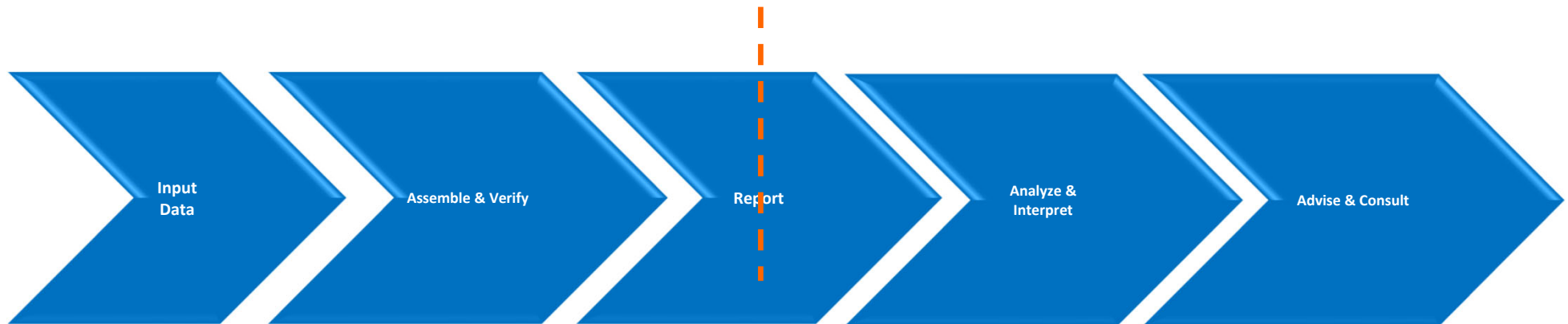
- What a Customer/Client values **and is willing to pay for**
- Need to identify value from the eyes of the Customer
- Critical to understand for any process improvement project to be successful



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Value Stream and “Flow”

- What steps in your process add Value?
- Process improvement aims to make those steps “Flow”





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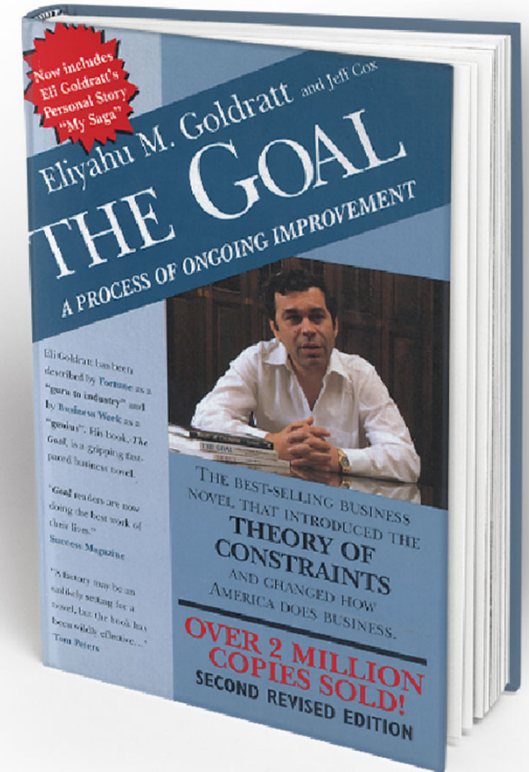
Diving into Process

“The best thing about the **future** is that it comes one day at a time.”

- *Abraham Lincoln*

The Goal

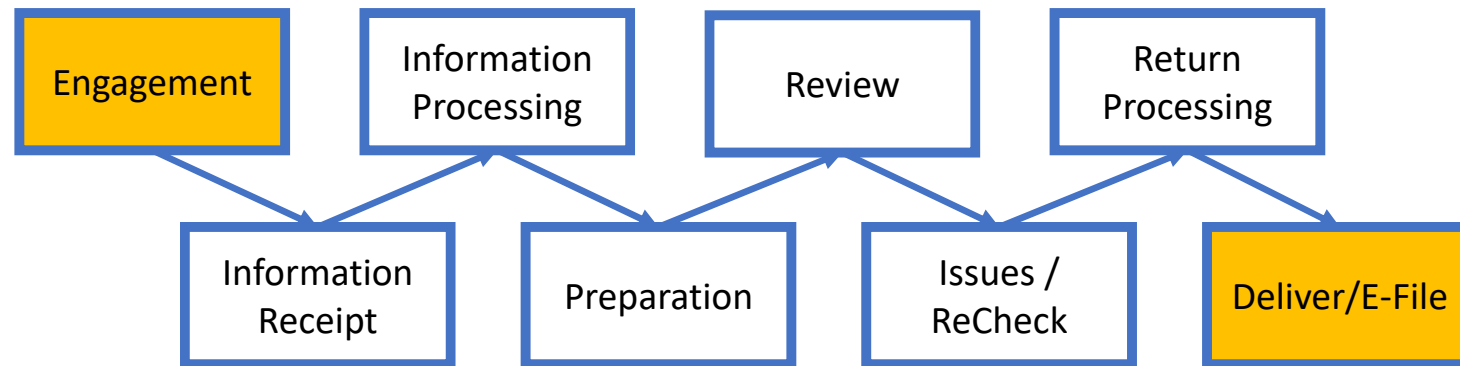
- Theory of Constraints
 - ▶ “a chain is only as strong as its weakest link”
 - ▶ Constraints are Limitations, whereas Bottlenecks are Temporary
 - ▶ Always Exist
- Elevate or Subordinate
- **Policy** Constraint at CPA Firms...
 - ▶ How we’ve always done it!
 - ▶ SALY



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Typical Process Map in a CPA Firm...

- If the ends represent Client touchpoints, what do you notice?



Lean Categories of Waste

Attitude!

Defects

(rework, scrap, incorrect information)

Overproduction

(more than is needed, or before needed)

Waiting

(on something else in the process)

Non-Utilized Talent

(people's talents, skills and knowledge)

Transportation

(unnecessary movement of product)

Inventory

(product or materials not being used)

Motion

(unnecessary movement of people)

Extra-Processing

(more work or quality than needed)



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Avoid Common Traps!

- Know your Value Stream
 - ▶ Remain focused on VOC
 - ▶ Be careful of internal perceptions of value and personal biases/preferences
- Vital Few
 - ▶ Pareto's 80/20 Rule (~80% of effects come from 20% of causes)
- TOC
 - ▶ A lot of effort can leave little impact if constraints are not addressed
- Just Start

“Continuous improvement is better than delayed perfection.” – Mark Twain



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Optimizing Impact

“Nothing is impossible... the word itself says ‘I’m **possible**!’”

- *Audrey Hepburn*

Delighting

- Recall the Kano Model – how do we delight our Clients?
 - ▶ Advice / Knowledge / Expertise
- Remove Roadblocks (Excuses)
 - ▶ Time / Pressure
- Make it Easy for Clients to Work with You
 - ▶ Customer Service vs Enabling Bad Habits



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How Does Technology Help?

- Think about Attitude!
 - ▶ Rand McNally vs. Google vs. Waze
- Translate to CPA firms...
 - ▶ Paper vs. Digital vs. Dashboard
- Embracer or Resister?



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Examples: Success with Tax Returns

- Set Expectations with Clients
 - ▶ Schedule
 - ▶ Control the Format
- Manage Your Front Door
 - ▶ Assess File Completeness
 - ▶ Maintain “Flow”
- Bust Bottlenecks
 - ▶ Leverage Technology
 - ▶ Cross-train Associates to **Level Up!**
- Deliver Greater Value
 - ▶ Maximize Opportunities to Delight
 - ▶ Highest and Best Use – Client Service to Advisor



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Challenge: Move the Needle

“If you think you are too small to make a difference, try sleeping with a **mosquito.**”

- *Dalai Lama*

Recap with Lean Principles

- Define Value
 - ▶ VOC – know what the Client is willing to pay for, or help them find out...
- Identify (and Map) the Value Stream
 - ▶ Highlight Value activities, reduce or remove others (Waste)
- Create “Flow”
 - ▶ Smooth out delays and bottlenecks
- Establish “Pull”
 - ▶ Like Just-In-Time manufacturing, replace “Push” with “Pull”
- Continuous Improvement
 - ▶ Pursuing perfection requires a shift in organizational culture



Drive the Change

- Catalysts Needed
- What are you prepared to do in your firm?
 - ▶ Write it down and commit!



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Questions?
Feedback?

THANK YOU!



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