



CASE STUDY

Virchow Krause Automates, Speeds Risk Management

Industry	Accounting, consulting services
Challenge	Complex risk management issues difficult to enforce and slow with inconsistent, paper-based systems
Solution	Captaris Workflow automates risk assessment and mitigation procedures for client intake process
Integration	Microsoft.NET and SQL Server
Results	Firm avoids business-threatening law suits and reduces client intake from six weeks to days, eventually minutes

BACKGROUND

Virchow, Krause & Company LLP, www.virchowkrause.com, is the 13th largest ¹ U.S. certified public accounting and consulting firm with 14 offices in Wisconsin, Minnesota, Michigan and Illinois. With more than 1,050 employees, it provides a wide range of accounting, tax, assurance and consulting services.

THE CHALLENGE

"In essence, you're one client away from having problems," said Allen Smith, chief information officer, Virchow Krause. To avoid independence issues or legal conflicts and survive in a highly regulated environment, Virchow Krause carefully screens potential clients. "As we take on more high-profile and publicly traded companies that fall under SEC compliance, it's imperative that our client intake process identifies potential risk," Smith said.

Though a single word, compliancy carries multiple implications. Depending on the clients it serves, Virchow Krause must be aware of and follow guidelines that comply with HIPAA regulations, Sarbanes-Oxley requirements, SEC codes and more. As a securities dealer and accounting organization, the firm itself is also held to specific rules and a public oversight board that are subsets of SEC regulations. "We needed a mechanism that could control answers to risk questions and enforce policies we have within the firm," Smith said. For instance, an accounting partner cannot sign off on an audit for a client with whom the partner is a majority shareholder. With more than 140 partners in a firm that provides a broad array of services, Virchow Krause faces a complex process to stay on top of all its risk issues.

The previous risk assessment system was paper-based and slow. It started with a two-person effort to gather data and create documents that required originators, engagement partners and oversight by quality assurance and managing partners. Tom Polacek, managing partner in charge of the firm's Best Practices project, explained, "It could take weeks to route papers for approval. By then, you may have already started working on projects with the client."

"At that point, what are you going to do?" Smith added. "Back-off or say you're committed?... Those are examples of what could happen due to the completely fragmented process we had." Also, he explained, the system offered no proof of partner approval or checks to enforce policies and ensure services were not replicated. "We realized the only way to do that consistently and in a controlled mechanism is through an electronic process."

¹ According to Public Accounting Report's "Top 100 for 2004."

THE SOLUTION

"Risky business" is out. Virchow Krause automated risk assessment and mitigation procedures with Captaris Workflow, which provides easy, flexible and integrated business process workflow for organizations in all industries. At Virchow Krause the Workflow process, with rules-based, email and Web-accessible task lists, replaced reams of paper routed from desk to desk. In the end, efficiency, assurance, compliance and reliability replaced the contrary at an affordable price and with side benefits, including speed and accuracy.

"From my perspective as a CIO, Workflow is a tool that is easy on my budget, allows us to do more with less and has tremendous upside value to the business...benefits that are absolutely critical," Smith related. Straight-forward deployment and business improvements are results of a good fit. With.NET and SQL Server integration, Workflow extends the Microsoft-based infrastructure at Virchow Krause. Projects, staff assignment and related tasks are all completed within Workflow. "We looked around at technologies," said Sam Bronchetti, application development manager for Virchow Krause. "We didn't see anything that met the functionality Workflow already had."

According to Smith, Workflow is "smart" enough to realize that different services require different questions. Then, depending on the answers, automated intelligent routing delivers the information to necessary contacts. "That is the stuff that has allowed us to elevate the process beyond anything we could do paper-based," he said. "We would have had to educate 400 people on 'if this, then that'...With Workflow, we take information and, in a ubiquitous way, embed it into the system. All people need to know is if it's an SEC client, they mark 'yes' and—BAM!—behind the scenes a note is attached to the form and sent to the SEC practice." In addition, the data is available via the Web, so traveling partners have access to tools and "work is not held up by a piece of paper stuck in an Inbox," Bronchetti said.

Having received recommendation for Workflow from a London-based company, Virchow Krause appreciates the international and collaborative influence of Captaris. Smith likes having a provider—one that has proven its Workflow product—that offers other essential technologies. "If I wasn't using Workflow, then I would look at Captaris Alchemy as one solution among many," Smith said. "Since using Workflow, I look at Alchemy as one of only a few." Virchow Krause plans to extend Captaris Workflow to add automated workflow processes for employee intake and status.

THE RESULTS

- **Enhanced risk assessment and mitigation** - "Workflow really helped our business process because we had to map it," Smith said. Processes were revised and employees uncovered additional efficiencies. "Partners started saying 'Wow, I can do that?' A lot of epiphanies turned on light bulbs over their heads." He continued, "If it helps us to minimize risk and it costs (a small fraction of potential liability) to do the project, that's a no-brainer."
- **Increased efficiency and customer service** - The automated process would have been a success even if it had lengthened turnaround, according to Virchow Krause leaders. The firm's excitement is understandable, then, given the process that previously took up to six weeks is now completed within hours, eventually minutes. "In a billable situation, any hour we shave off with the Workflow process is money added to the bottom-line," Smith said. Also, as a managing partner who is often on the road, Polacek noted Web access provides streamlined services to customers, "That's a big benefit. The office can serve the client and get wheels in motion more quickly." Smith added: "By extrapolation, we can do more work. Top-line and bottom-line performance continues to go up."
- **Return On Investment (ROI) and Total Cost of Operation (TCO)** - "Would you pay (several thousand dollars) to avoid going out of business? That's exactly what we've done." Smith said. He reported the TCO for Workflow is significantly less than its previous risk management system. "I don't want to call it cheap," Smith laughed, "but it was a very easy sell to make within our organization."

FOR MORE INFORMATION

Captaris Business Information Delivery solutions help organizations of all sizes automate the information and document flow throughout the information lifecycle (capture, process, deliver, manage and archive). With a comprehensive suite of software and services, Captaris helps organizations to grow revenues and increase profits while meeting compliance goals. Through a global distribution network of leading enterprise technology partners, Captaris has installed more than 90,000 systems in 95 countries in companies of all sizes, including the entire Fortune 100. For more information, visit www.captaris.com or call 1.800.443.0806.

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