



Saving 40 Hours on Tax Research Weekly with Automation



Tax and Advisory



Certified Public Accountants



United States



100+ Employees

The Client

For the Michigan accounting firm Clayton & McKervey, there was an urgency to accelerate the use of technology to better serve their clients, primarily growth-driven private companies.

"We needed to get better and more efficient and we asked ourselves, 'How can we do that through the use of technology? What tools are out there that can get us there?' says Sarah Russell, who helps lead the tax department at Clayton & McKervey.

She has tracked how the accounting industry has shifted to an inverted pyramid model, where many firms don't have the luxury of a growing staff of junior employees to manage manual tasks, which in turn leads to these jobs getting tackled with fewer people. "Those people are going to need to be adding more value to client interaction," she adds.

The origin story of this trend begins with client fee pressure, she explains, as clients aren't willing to fund the many hours that a robust file requires. Also, the arrival of the pandemic created a perfect storm of talent shortage and upward pressure on salaries, leading to a need to find a tool to help improve efficiency.

It's clear that younger accountants are looking for the most innovative technology to help them boost their knowledge on tax issues, while also encouraging them to accomplish tasks faster.

The Value of Automating Major Work

A key challenge revolves around maximizing efficiency for the many clients who work on a fixed-fee arrangement with Clayton & McKervery. The remaining work that is billed on an hourly basis has clients on the prowl for the maximum value they can get in the hours that they are billed.

"It's been a huge focus of mine to automate as much of our work as we can," Russell says, "including 1040 verification, the 'last 10 yards' of tax prep, monitoring e-filing, and more. And our tax research process was no different."

The Blue J Advantage

Cut hours of non-billable work down each week



Senior associates quickly find the right court cases



Significantly improve training and development



I've found that Blue J's Decision Search has helped me find cases so much faster than I could have ever done with our regular tools.

**— Sarah Russell,
Shareholder, Tax**

Making Partners and Senior Accountants More Knowledgeable and Efficient

To open the window of opportunity, Russell ushered in a partner that would enable those tech-enabled efficiencies in tax research: Blue J.

She notes, "At the senior accountant level, that's where you get into a little bit more of complicated research, and it's really difficult for those at that level to know what questions they should be asking, and how to frame the research. We've found the tools that are available in Blue J have helped them really understand the questions they should be asking on the front end, instead of waiting for somebody to review something and say 'Look, there are these 10 questions you didn't think about.' It's made the learning process significantly shorter. We've loved the tool for that."

What has made the Blue J tools so important for her firm is finding the right court cases. She explains that when she's deep in a complicated research project, what she's found is "grey" results in the Code and the regulations, forcing her to pore through court cases to learn how tax courts have ruled.

"Using existing databases to identify the right cases to look at is a challenge because you'll get a lot of results that aren't applicable to your scenario. I've found that Blue J's decisions search has helped me find cases so much faster than I could have ever done with our regular tools."

The week before she was introduced to Blue J, she had spent probably 40 hours to find three relevant court cases for a client on a research tax credit issue. When she plugged details into Blue J, all of those cases came up in a matter of 10 minutes. She strode into the office of her Managing Partner and said, "I want an Enterprise license for this."

Right now, the tool is being used across the Tax group at all levels, and Russell indicates that, when a complex topic comes up that falls within the scope of Blue J's toolset, it's the first technology she uses.

I'll get the associate to share screens, we'll open up Blue J, and we'll go through the facts together. The light bulbs that go off are incredible, where the senior will say, 'Wow, I would have never thought to ask these questions, or to approach the research this way.'

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***Reduce 40 Hours of Tax
Research to 10 minutes***

Asking The Right Questions of Their Clients

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Invigorating her firm with those training opportunities is valuable, she says. "When I look back at my career and think about how long it took me to learn how to approach research, it's such an asset to have a tool like this to guide them. If I would have had a tool like this, that learning timeframe would have been a lot shorter."

The problems Blue J solves ease those spinning wheels that soak up the time that Russell may spend coaching other staff. "Now I'll take the Blue J questionnaire, for example, for Debt vs Equity, and say to them that these are the types of things that we need to know. So they are basically creating a questionnaire for the client. And what we've seen now is that there's a lot less back-and-forth with the client, which has made interactions much more seamless."

How the Firm Has Benefitted From Having Access to the Best Research Tools

On how the firm has benefitted from adopting Blue J, Russell says, "We've seen great efficiencies at the Partner level, and it's been a game-changer for us, but even more impressive has been the training improvement we've seen with the senior accountants. It has been really eye-opening for a lot of people."

"To me, it's all about working smarter, not harder. If I can have a smart solution that helps me get research done faster, I may be able to still bill for the same amount of hours, but spend that time in much better ways for the client."



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BETTERS INSIGHTS, FASTER FOR
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