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The Tax & Accounting business of Thomson Reuters is the leading provider of technology and information

Listen to Darren Root & Jon Baron discuss 2009 and the year ahead at www.CPATechAdvisor.com/EP/TR.

solutions, as well as integrated tax compliance software and services to accounting, tax, and corporate finance professionals in accounting firms, corporations, law firms, and government. Tax & Accounting includes the Professional Software & Services, Corporate Software & Services, and Research & Guidance business groups.

2009 YEAR IN REVIEW & EXECUTIVE PREDICTIONS FOR 2010

For many, the best thing about 2009 is that it's almost over. We've been through one of the most tumultuous economic periods in our history, and dealt with unprecedented scrutiny of the financial industry. Not to mention many difficult phone calls between tax and accounting professionals and their clients.

But if you're sitting in your office reading this, I've got good news: You've made it. And you've probably learned a thing or two that will help see you through future ups and downs. I know I have. 2009 was a strong year for the Tax & Accounting business here at Thomson Reuters, largely due to forward-looking firms who are finding new technology and workflow solutions and with less, doing more.

We've also achieved some notable milestones, including:

- Our portal offering led by NetClient CS® surpassed 300,000 active portals. Now in its eighth year, it saw the addition of several new features, including the ability to automatically post client source documents to the portal along with tax returns, online client billing and payment collection, and many others. We're also excited about our new Virtual Client Office, which takes NetClient to a whole new level, allowing firms to host the entire technology infrastructure for many of their clients.
- We celebrated our eleventh year of offering online (or SaaS) applications for the accounting profession. Our first online offerings were GoSystem® Tax RS back in 1998 and Virtual Office CS™ in 1999, which included our entire CS Professional Suite. Today, we host more than 125,000 users with entirely online solutions.
- We released several new products beyond Virtual Client Office, including Accounting CS™, our .NET next-generation professional accounting software, and a new staff management module for Practice CS®.
- We've also engaged in some exciting new smartphone advancements, developing connectivity with Virtual Office CS that will enable our users to take advantage of the mobile web, the next wave of computing. This includes a new iPhone app that will connect professionals on the go with Practice CS.

If there's one thing I've learned from it all, it's that, no matter what part of the profession you're in, SALY (Same As Last Year) doesn't work there anymore. In good times or bad, embracing change and investing in productivity pays off. This is especially important with today's accelerating pace of change.

With that in mind, I've assembled a few predictions. It's my hope that they'll help you plan a better 2010 — no matter what the world throws your way.

1 NORMAL WILL NO LONGER BE NORMAL.

The current economic reality and new technology are conspiring to make old ways of doing business unsustainable. Firms that want to survive and prosper will need to get used to a "new normal." It will require all of us to use a combination of technology and creativity to drive to a new efficiency and with less, do more. The new normal may make things harder for those who choose not to adapt, but it's a big opportunity for those who can capitalize on it and use a new generation of solutions to transform technology into a strategic asset.

2 YOUR EMAIL INBOX WILL CEASE TO BE THE CENTER OF YOUR UNIVERSE.

It's hard to remember how we ever got along without email. But now, email itself is becoming less popular, replaced for many purposes by Facebook, Twitter, texting and

other digital vehicles that allow a constant stream of real-time communication. And as we use smartphones like BlackBerrys and iPhones, information has begun to flow in a constant stream of tiny pieces, rather than a few big chunks.

This means that, if we want to maintain meaningful client relationships and attract top talent, we'll need to change the way we communicate and collaborate.

3 THE MOVEMENT TO DIGITAL WORKFLOW WILL FINALLY TAKE HOLD.

2010 will be the year that we cross the 70 percent adoption threshold for document management systems designed specifically for the accounting profession, proving that digital and paperless have become the norm. We will also see broad-based adoption of practice management systems with dashboard design at their core and powerful workflow tools that will move work with unprecedented efficiency. Early adopter firms will use transitional technologies like source document scan and fill and scan and organize products to make the switch.

4 THE NEW AGE IN COMPUTING WILL ACCELERATE, DRIVING CHANGE IN HOW WE WORK.

Given converging megatrends — a new global economy, new communication tools, and a newly mobile workforce — we have officially entered a new age in computing. We have gone from mainframe computing in the 50s, to mini-computing in the 60s, to personal computing in the 80s, to desktop Internet computing in the 90s, to the new age of today — mobile Internet computing.

I believe that we will see accountants truly embrace the desktop web next year, with physical media like CDs and DVDs fading, a large migration to SaaS computing, and a movement toward serving clients with true client portals that go far beyond document presentation and file exchange. We will also see more professionals embracing mobile Internet computing through the use of smartphones. The iPhone has seen the fastest market share gain in hardware history, and I think the Google Android operating system will also make a big splash.

These days, no two years are the same. Looking back at 2009, that's a good thing for many of us. But whether last year saw you in growth mode or survival mode, it's my hope that these predictions will lead to a less hectic, more profitable, and more exciting 2010.



Jon Baron
President, Professional Software & Services, Tax & Accounting, Thomson Reuters

Jon Baron joined Thomson Reuters in 1992. Prior to his promotion to president in July of 1998, Baron held the position of vice president of Development and was responsible for the design and development of all Tax & Accounting products for Professional Software & Services.

Baron has almost 35 years of technology development and management experience, all of it serving the accounting profession. He holds a Bachelor of Business Administration in Accounting from Siena College and a Master of Business Administration from Boston University.



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