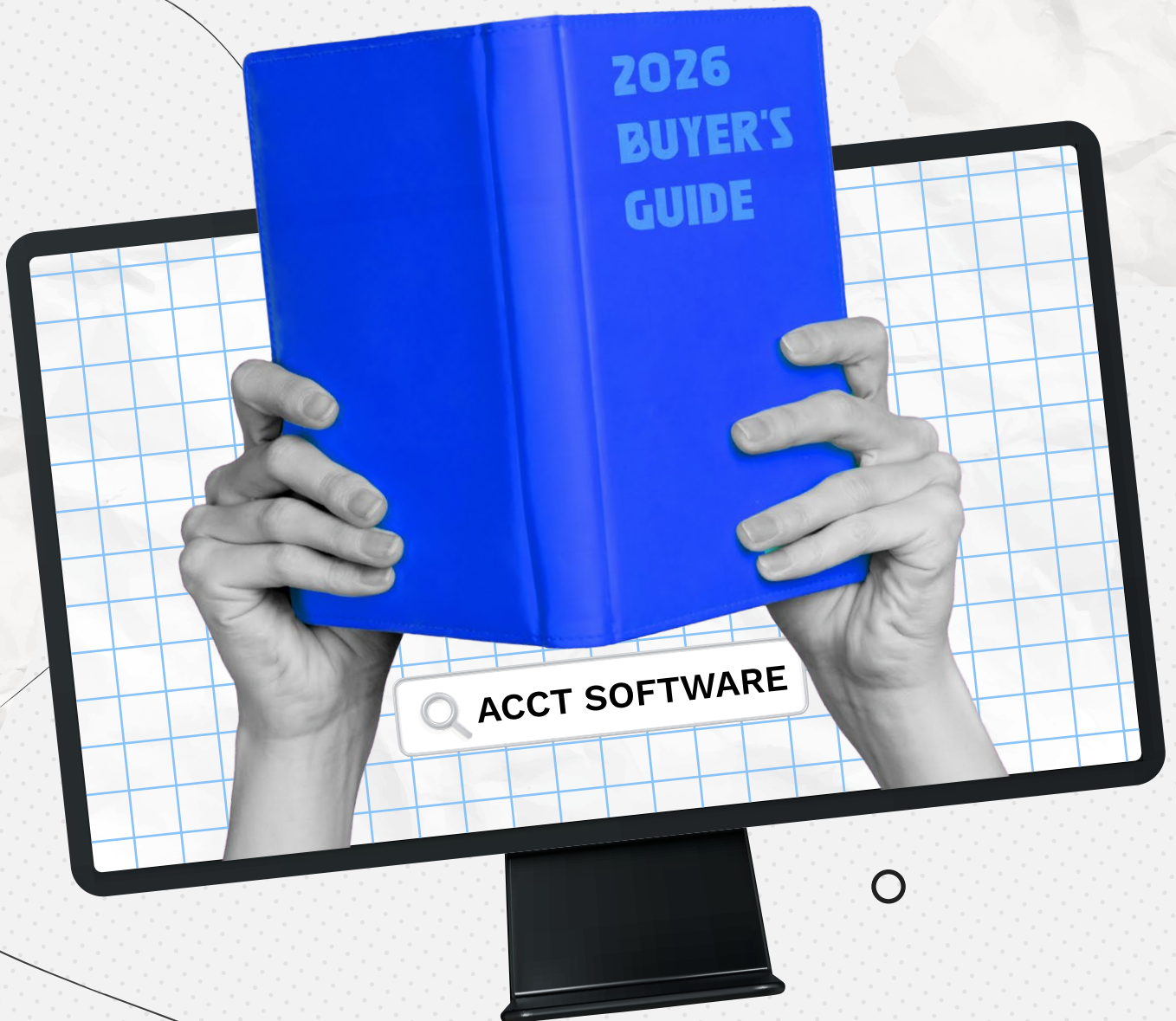


2026

PRACTICE MANAGEMENT

BUYER'S GUIDE





Introduction

Why Invest in Practice Management Software?

by Luke Frye, CPA, Accountant in Residence at Canopy

Accountants have been using software to manage their work for decades. But the available tools are evolving rapidly—first with cloud-based solutions, which transitioned firms from static desktop systems to today’s online versions that can be accessed from anywhere. Now we’re navigating the age of AI, which can automate workflows, draft emails, streamline reporting, and even execute tasks on our behalf.

With every technological advance, the options become more powerful and also more overwhelming for accounting professionals to navigate. Many very successful multi-million dollar firms still operate entirely on a spreadsheet, which is admirable. However, in today’s world, continuing to scale and leverage resources is critical, and that’s where having the right tech stack can be a game-changer.

A handful of new contenders are now helping lead the path to securely adopting AI and providing a multidimensional view of your entire practice. A spreadsheet is an outstanding two-dimensional tool, but imagine being able to pivot on every data point without having to manually create a new tab for each one. This is the beauty of a closed system database, like practice management software.



The Three Core Benefits

- 1. Consolidation and Efficiency:** Practice management systems are designed to replace multiple disparate subscriptions—from task management and internal emails to invoicing, billing, and engagement-letter software. It's not uncommon for a firm to replace a dozen SaaS subscriptions with one unified platform.
- 2. A 360-Degree View:** Beyond simple workflows, practice management provides a three-dimensional view of your clients, your work, your revenue, your engagements, and everything in between. This depth of insight is impossible to maintain in static spreadsheets.
- 3. Future-Proofing with AI Automation:** The administration around client work is often one of the biggest time sucks—and therefore, the biggest expense—regardless of whether you track time and bill it or run a value-based business model. But today's practice management software solutions can safely leverage AI to automate much of this busywork, saving your most important resource: time.

Just like with any other mission-critical software, implementation is no joke. It requires a thoughtful, intentional approach, and it's critical that everyone affected by the change is included in the decision. Neither top-down mandates nor single champions will ensure successful adoption; the whole team needs to be on board. Spreadsheets may have gotten you here, but practice management software can get you there—wherever you envision your firm being in the next five years.

Understanding Practice Management Software

While selecting the right solution for your accounting firm can initially seem intimidating, this guide gives you what you need to cut through the noise and make a confident decision.

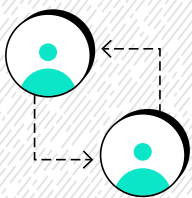
But first, what exactly is practice management software, and why does it matter?

At its core, practice management software is the operational backbone of your accounting firm. It brings together the stuff you deal with every day: client relationships, billing and invoicing, engagements, workflow, and document management—all in one place.

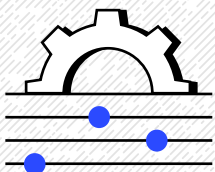
Instead of jumping between systems or drowning in manual processes, you and your team can focus on actual client work. It's not just an efficiency tool; it's how modern accounting firms run.

11 Essential Building Blocks

An effective practice management solution will include the following foundational features.



Client Relationship Management (CRM): Centralizes contact and client management, giving you a single hub per client that captures email history, files, and invoices—plus a client portal for secure uploads. (Note that accounting-specific CRMs often don't include the lead generation or sales pipeline features of generalist CRMs, so those may need to live elsewhere.)



Engagements: Covers the entire client journey—from prospect to conversion, proposal to payment. Allows you to send proposed statements of work, automate project creation, collect payments, and track data by engagements to avoid scope creep.

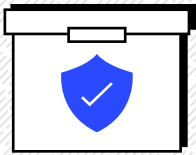


Billing and Invoicing: Automates invoicing procedures, tracks billable hours, and offers customized invoice creation. Keeps a pulse on the health of your firm with easy-to-read visualizations and the ability to save and share insights.

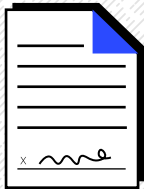


Task Management and Workflow Automation:

Templatizes and tracks routine tasks to ensure projects are completed on time. Automates instant notifications for work assignments, updates task statuses, and triggers approved client emails—without any manual effort.



Document Management: Securely stores files, with automatic renaming and classification features. Enables all team members to seamlessly gather, process, organize, search, and annotate files, with perfect visibility into what’s shared with the client.



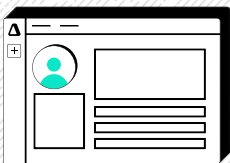
eSignatures: Offers unlimited electronic signatures for finalizing your work, with templates for commonly used eSignature requests and the ability to add KBA verification and auto-place signature fields with AI.



Time Tracking: Tracks the time spent on each client or project, ensuring accurate billing and efficient time management. Offers pre-built reports to assess staff utilization and productivity as well as client profitability.



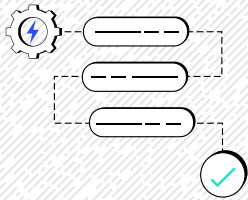
Integration: Connects with other accounting software and tools, enhancing efficiency and reducing manual data entry.



Client Portal: Enables secure interactions with clients through a branded web and mobile application, allowing you to send and accept engagements, collect payments, share and receive documents, and track client requests.



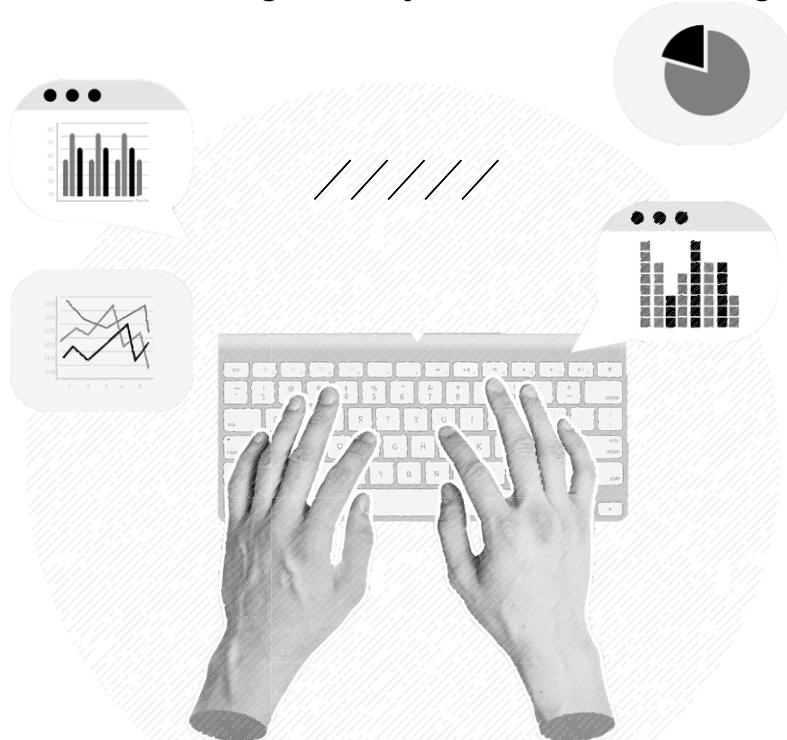
Data & Reports: Easy-to-understand charts and visualizations give you real-time access to your data, with alerts and automations to help you stay on top of what's happening in your business.



Bulk Actions & Automations: Empowers you to execute one-to-many actions instantly across your client directory, including bulk client requests, broadcast emails, client portal invitations, task assignments, invoices and more—eliminating repetitive tasks.

Many or all of these critical features should be enhanced with built-in artificial intelligence. AI is advancing at an exponential pace; evaluating a practice management solution that has not natively embedded machine learning means investing in technology that is already falling behind.

When auditing your options, keep in mind that AI can operate both visibly and invisibly—from consumer-facing tools like prompt-based email assistants and automated tax document transcriptions, to background logic like predictive data routing. Look for a solution that offers a seamless blend of AI and Robust Process Automation (RPA) to deliver measurable time- and cost-savings across your firm, without adding complexity to your tech stack.





Point Solutions &

Practice Management Software

The alternative to using comprehensive practice management software is to deploy a series of point solutions, each tackling different aspects of firm operations.


For instance, one vendor might specialize in Document Management, offering advanced features for organizing and accessing documents efficiently. Another might focus exclusively on eSignatures, providing a secure and streamlined process for electronically signing and managing documents. Another solution might focus on the Client Portal, offering a user-friendly interface and robust features for seamless collaboration and communication between professionals and clients.

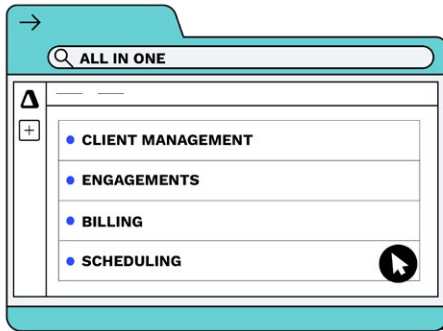
Each of these solutions caters to different needs and provides specialized tools to enhance productivity and efficiency in specific areas of practice management.

Some vendors pitch this collection of multiple point solutions as a “best-of-breed integrations” model. When it actually works, it can be great—but the best version of this is a single product where everything’s already connected. No separate logins. No juggling UIs. Just one place to work.

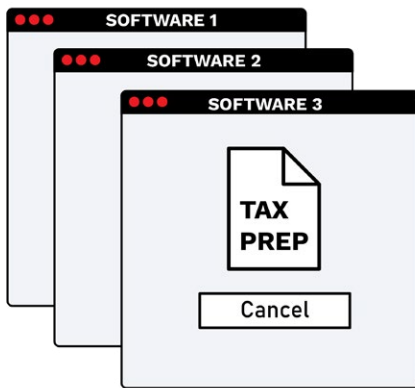
Practice management software, on the other hand, brings everything under one roof—client management, engagements, billing, scheduling, task automation, document management, and analytics. Because it’s all connected, you spend less time switching between tools and more time getting things done.

Individual point solutions zoom in on specific areas of your workflow, which can mean higher levels of functionality and customizability in those particular areas of focus. But when you manage your firm’s operations in this fragmented way, you can miss out on efficiency gains, better reporting, smoother collaboration, and the kind of cross-functional benefits that only come when everything works together. There are also practical concerns, including the cost (in both time and money) of managing multiple systems, the learning curve, and whether your tools all work well together.

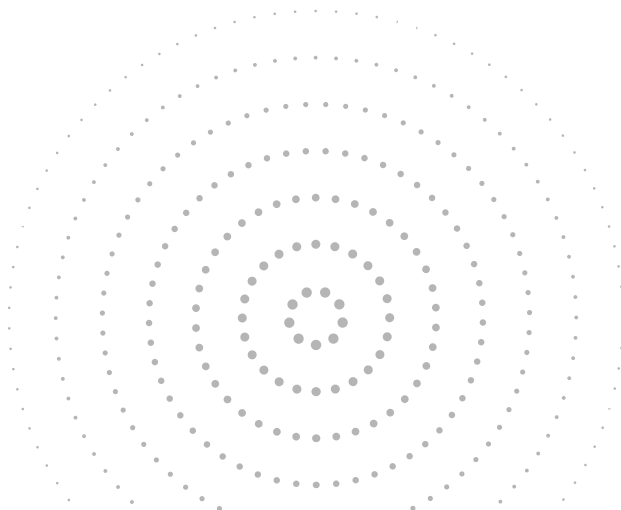




Practice management software gives your firm one place to handle client info, engagements, documents, time tracking, billing, communication, and everything else. When it all lives together, work moves faster and nothing falls through the cracks.



Point solutions, by contrast, go narrow. Individual vendors specialize in things like document management, e-signatures, or a client portal, leaving it to you to figure out how to make all of your systems play nicely with each other.

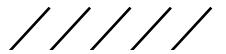


Essential Features of Practice Management Software

When considering a practice management software solution for your firm, the bare minimum features you can expect are: project management, time tracking, and invoicing. But if you're interested in simplifying your tech stack further and delivering even greater productivity gains, a more robust solution should also include the following capabilities.

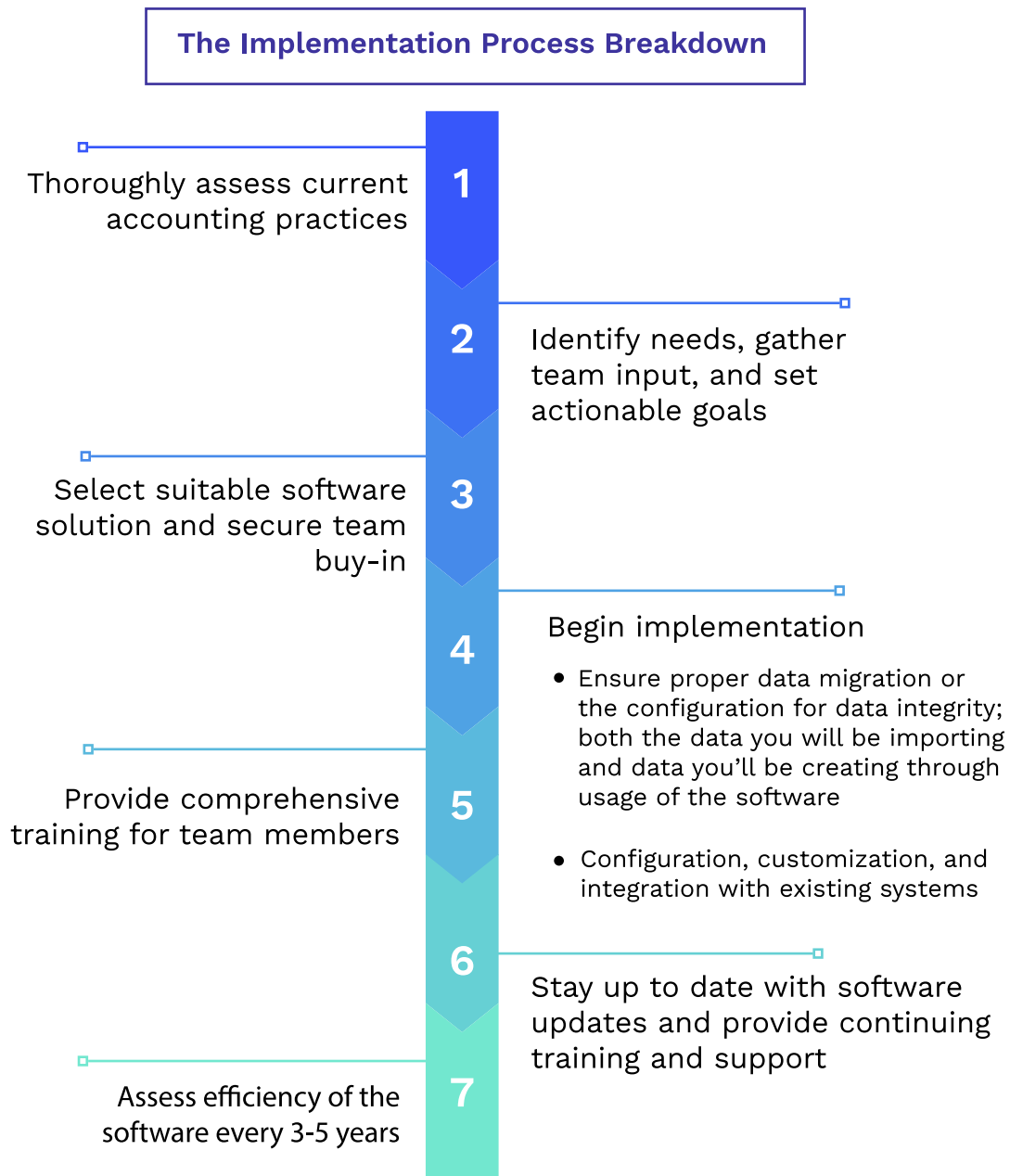
CRM	Project Management	Client Intake	Reporting & Analytics	Secure File Management	Time & Billing	Payments
Ability to manage contacts, clients, and groups	Capacity planning	Custom Portal	Alerts & scheduled reports	Secure links	Time tracking	Saved payment details
Custom fields	Workflow automations	Engagements	Pre-built dashboards	Request & share	Service items & rates	Recurring payments
Email	Automated task creation	Automated client reminders	AI-powered search	eSignatures	Invoicing	Competitive rates
AI contact analysis	AI for predictive project risk analysis	AI document checklist generation	Historical billing analytics	AI-powered file naming	Mobile time tracking	Fraud detection
AI-driven email drafting and summaries	AI-driven resource optimization	AI questionnaire creation from PDFs	AI-driven visual workflow builders	File versioning	Rate locking	Payment reminders
AI-powered client interaction insights	AI-based task prioritization	AI-driven client data validation and enhancement		Audit trails	Integration with billing/ payment systems	Multi-currency support
Automated task creation from CRM events				Integration with external storage		

Your firm probably doesn't need everything on this list on day one. Start by getting your team aligned on your biggest pain points, then focus on the features that actually solve them. That clarity makes it a lot easier to choose, implement, and roll out the right practice management software.



Implementation

To implement accounting practice management software effectively, it's crucial to secure stakeholder buy-in and identify an administrative owner of the software. Together, the stakeholder(s) and the administrator should establish 2-3 key objectives they want to accomplish with the software. These objectives will help orient you on where to start with implementation, migration, and adoption, helping you gain and maintain the momentum the firm needs in order to see the greatest impact.



Evaluating Your Practice's Needs

No two firms are the same—and neither are their software needs. Before you buy anything, make sure your team is aligned on where you are now and where you want to go. Start with an initial evaluation that looks something like this:

Current Processes & Operations	Future Desires	Who Needs to Weigh In?

As you evaluate your current accounting processes, a great first step is to look for areas that are time-consuming, repetitive, require lots of manual work, and are prone to errors. Next, consider your business growth plans. And finally, assess your budgetary constraints.

Questions to Ask About Your Current Process

- Do we have uniform processes? If so, are they adhered to?
- How can our processes be improved?
- Where do I have to go to get work done?
- Where do I have the most busy work?
- Where are the most mistakes made?
- Given technology today, what can be sped up or automated?

Questions to Ask About Your Growth Plans

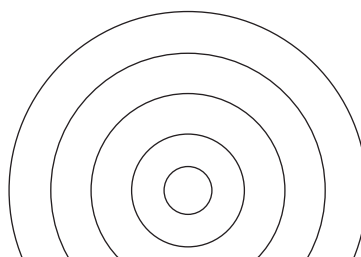
- What are your plans or hopes for growth?
 - Adding clients?
 - Adding employees?
 - Adding services?
 - Specializing?
- What are your plans to support administrative or technical responsibilities?
 - Dedicated hire?
 - Technology?
- How will you achieve your desired growth?

Questions to Ask About Your Budget

- What's your timeline for seeing a return on this investment?
- What's the cost of not switching—in time, errors, and lost efficiency?
- What's the pricing model—per user, per month, or a flat fee?
- Are there different tiers, and what's included at each level?
- Is there a long-term contract, or can you pay month-to-month?
- What does onboarding or implementation cost?
- Are training and support included, or do those cost extra?
- Will you need any additional hardware or IT resources to run this?
- How does pricing change as you add staff or clients?
- Are updates and new features included, or do they cost extra?

Questions to Guide Your Onboarding

- How will firm members contribute to the decision?
- Who are key stakeholders? These could be partners, stubborn employees, or a potential power user.
- How will you persuade them of the need for this purchase? Make sure to address their concerns.
- Are there any concerns with employees learning the software?
- How will the vendor support implementation and training?
- What does customer support look like?





The Buying Process

Choosing the right practice management software is one of the most impactful decisions you can make for your firm. This guide walks you through the whole process, from figuring out your initial needs to getting your team up and running, so you can make a confident choice that fits your firm today and scales with you tomorrow.

01

Step 1: Preliminary Research

Look into various software options available in the market, their features, pricing, and customer reviews. G2.com is an excellent source for authentic user reviews. Consult the [Best Tax Practice Management Software category](#), as well as [Best Accounting Practice Management Software](#). Also consider reaching out to your industry peers for recommendations.

02

Step 2: Determine Your Needs

Identify the requirements of your accounting practice. This step should be based on the evaluation of your current accounting processes, future growth plans, team's technical skills, and budgetary constraints.

03

Step 3: Seek Expert Opinion

Consider hiring a technology consultant or engaging with software vendors directly to gain an in-depth understanding of the features and benefits of different software solutions.

04

Step 4: Request Software Demonstrations

Request demos from potential vendors. Demos give a practical understanding of how the software works and whether it aligns with your practice's workflow.

05

Step 5: Evaluate Vendor Support

Assess the vendor's support services. You should have access to reliable support for implementation, training, and troubleshooting.

06

Step 6: Finalize Vendor and Negotiate Contract

After thorough evaluation, finalize your vendor. Read the contract carefully before signing, ensuring that it includes necessary provisions for support, updates, and data security.

07

Step 7: Purchase and Implement

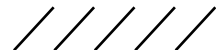
Once the contract is signed, proceed with the purchase. Begin the implementation process as planned, starting with software configuration, data import, and team member training.

08

Step 8: Continuous Monitoring and Updating

After going live, continuously monitor the software's performance and update it regularly for optimal functionality.

Remember, purchasing practice management software is not simply a one-time event; it's a long-term investment that should bring substantial value and efficiency enhancements to your accounting practice. By implementing the right software solution, you can streamline your operations, improve productivity, create longevity in your firm, and optimize client satisfaction, ultimately driving your practice towards greater success and growth.



Vendor Evaluation

Not all vendors are created equal. Before you commit to a solution, it's worth taking a close look at the company behind the software—not just what the product can do today, but whether the vendor is one you can count on long-term. Here are seven areas to consider as you're comparing and contrasting practice management software companies, followed by a downloadable Google sheet to help you make a comprehensive pro-con list.

Vendor Reputation

Research the reputation of each vendor. Look at online reviews, testimonials, and any industry awards or recognitions the vendor has received. A vendor with a strong, positive reputation in the accounting software industry is more likely to provide a reliable, high-quality product. Check to see how they're staffing their research and development teams. A vendor with a well staffed research and development team will resolve bugs and create innovative products faster than one with a small team.

Vendor Experience in the Accounting Industry

The best software isn't the most flexible one—it's the one built for how accountants actually work. Look for a vendor who understands your specific challenges and has a track record of improving their product based on what users actually ask for.

Vendor Support and Training

Investigate the vendor's approach to customer service and support. Good vendors provide comprehensive training as part of the software purchase. They should also offer ongoing support for any technical issues that arise.

Data Security

SOC 2 compliance is a security standard invented and maintained by AICPA. If a software is not SOC 2 compliant, seriously consider whether or not you'd feel comfortable storing your data in their application. And as AI becomes standard in most platforms, make sure you know exactly how the vendor uses your data to power those features.

Reliability

Check the vendor's track record on reliability, including whether they publicly publish reports on incidents or uptime. You don't want to purchase a tool that seems to check all the boxes but leaves you high and dry in the middle of busy season.

Scalability

Consider the scalability of each vendor's software solution. As your practice grows, you want a vendor whose software can scale with you, accommodating increased volume and complexity over time.

Cost

Lastly, evaluate the cost of each vendor's software. Don't just consider the upfront purchase price; also take into account ongoing costs such as software updates, support services, and any potential hardware upgrades required. Some vendors will charge extra for their support and upgrades.

Capabilities	Canopy	[Company 2]	[Company 3]
Client Communication & Collaboration			
CRM (client list, tags, filters, details, etc.)			
Secure & branded Client Portal (web & app)			
Integrated email (inbox, shared access, attach emails to tasks)			
Automatic client reminders			
Client task request (web & app)			
Document sharing & collection			
Proposals & Engagements			
Client segmentation			
Roles & assignments			
Hybrid/outsourced work assignment, permissions, and security			
Payment collection			
Saved payment details & automated payments			
Client project progress updates			
Comments & mentions for staff			
Tax Organizer			
Data Driven Firm Management			
Retention rules			
Engagement contract records			
Engagement reports			
Budgeted & actual time			

GET THE RUBRIC [HERE](#)



About Canopy

Canopy is an award-winning, all-in-one practice management platform for accounting firms. The platform provides a suite of integrated modules—including CRM, workflow, document management, time & billing, and payments—designed to streamline firm operations and improve the client experience. Canopy is SOC2 certified and committed to data security.

[REQUEST A DEMO](#)

