

Annual Report

2024



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This Is TaxDome

Why Are We Here

Our mission is to make software that accounting firms and their clients **will love to use**.

Today, many accountants are burdened with outdated systems that are merely 'good enough'. Clients must navigate multiple communication channels to exchange information with their accounting firms, none of which are purpose-built for this task. We believe it's time for a change. Accountants deserve software that not only manages their business efficiently but also facilitates seamless communication with their clients through a modern, high-quality system.

At TaxDome, our vision extends beyond transforming the firm experience; we are equally committed to enhancing the client experience. According to a survey by Salesforce, 80% of customers say the experience a company provides is as important as its products and services. Unfortunately, the accounting industry often falls short in this area, with nearly a quarter of clients seeking new accountants annually due to poor experiences. While the current experience might be marginally better than a visit to the dentist, we believe it can be much more. We are dedicated to making this change.

80%

of customers say the experience a company provides is as important as its products and services.

Source: Salesforce. (2022). State of the connected customer

How We Started

In May 2017, we (Victor and Ilya Radzinsky) founded TaxDome in a Brooklyn coworking space. While it wasn't the stereotypical Silicon Valley garage, it was the birthplace of our vision: accountants deserve excellent software. We chose not to seek outside capital, investing our own savings into the business instead. It took nearly two years to build our team and develop the first version of TaxDome. By the time we launched in April 2019, we were a team of ten, including two founders and our dedicated development team.



How We're Doing

We are on a mission - to make software that accountants and their clients **would love** to use.

That is why we created TaxDome and why we show up to work every day. It is the measure of our ultimate success - the “are we there yet” question we ask ourselves daily. While we acknowledge that we are still on this journey, we have a clear vision of our destination.

From the very beginning, product development has been the cornerstone of our business. We currently allocate over 60% of our revenue to research and development, significantly higher than the 20%-30% typical of other SaaS companies. **Specifically, we are planning to allocate over \$75 million to software research and development in the coming three years.**

Getting there will involve a lot of communication and a lot of learning. Understanding the spoken and unspoken needs of tax preparers, bookkeepers, accountants, auditors, resolution agents and more is crucial to our success. We will be asking you a lot of questions and hope that you humor us. That is how we plan to achieve our mission - together.



What We Do and How We Do it

Rooted in unwavering product focus

Our success is rooted in our unwavering product focus and meeting the needs of our customers - and their clients. In the world of business acronyms, we are B2B2C - we believe that the end 'firm client' is at the core of our platform, even though they do not pay us a dime. By providing an outstanding customer experience, we make our firms look good.

Top-ranked client mobile app

The client mobile app, used by **millions of firm clients globally**, has ranked in the **top 100** of all Finance apps on the iOS store, and has a **4.9/5 rating** with thousands of reviews.

TaxDome helps a 40-person accounting firm become more efficient

Services: accounting, bookkeeping, tax prep

9,000+
clients

40
team members



Barb Vanags, Partner

Comprehensive platform for operational excellence

While customer experience is core to the entire TaxDome experience, we provide a comprehensive platform for firm owners and teams to scale and achieve operational excellence. Our solutions cover firm management, client management, client experience, and business operations. In an industry facing a shortage of accountants and hiring challenges, firms using TaxDome have increased their headcount by more than 50%.

TaxDome has been a huge success for us

Services: Nonprofit formation, Compliance

28+

years in business

50+

team members



Chris Farris, Chief Operating Officer

Newfound efficiency fuels 9% growth in 12 months with TaxDome

Services: accounting, company registration, payroll, advisory

250+

clients

13

team members



Ekaterina Verulidze, GM of BHR Finans & Regnskap

Our Business Model and Strategy

Our core revenue stream is from the sale of software licenses to tax, bookkeeping and full service accounting firms. While different business models exist in the software as a service (SaaS) industry, we believe that usage-based pricing does not align with our clients' goals. Therefore, every TaxDome license includes unlimited contacts, invoices, e-signatures, proposals, engagement letters, document storage, organizers, and more. Our pricing is per seat, appealing to both the lower-end and upper-end of the market. For smaller firms, our all-in-one platform with no usage fees offers exceptional value. For larger firms, the organizational efficiencies and streamlined operations provided by TaxDome are indispensable, as the return on investment (ROI) increases with the number of team members using the platform.

Our success is directly tied to our clients' success. By providing a platform that supports their growth, we benefit as they expand and purchase additional seats. This win-win business model ensures that our interests are always aligned with those of our clients.

92% renewal

Deployed in 25+ Countries

Available in 12 languages

The favorite solution in the market with an NPS of 50+

Highest user satisfaction score in G2

Built for tax, bookkeeping and full service accounting firms

TaxDome Milestones

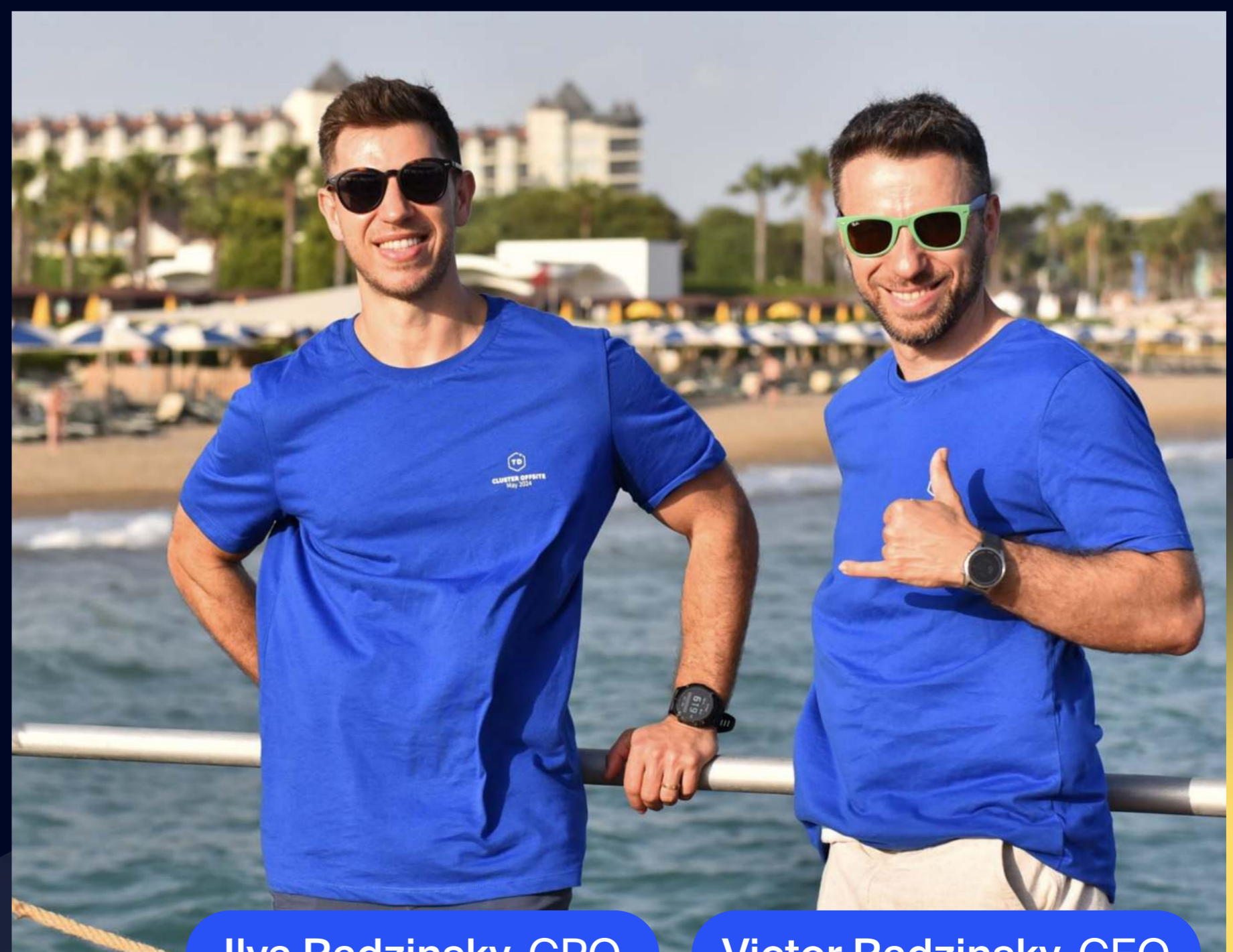
Since 2017, we've been building the platform of the future. **We are committed to continued innovation - we're just getting started.**

THE FOUNDATION	First clients First trade shows First team offsite	2019
	COVID-19 accelerates digitization push globally 500,000+ documents uploaded by clients	2020
SIGNS OF GROWTH	100,000+ automations 50,000+ contracts signed \$30,000,000+ payments processed	2021
	Going global: firms in 20+ countries 12+ languages supported 100+ team members 93%+ renewal	2022
ADOPTION	Top 100 iOS client mobile app: Finance 10,000+ firms 3,000,000+ clients 2,000,000+ automations	2023
	Winner of Comprehensive Firm Workflow Solution in CPA Practice Advisor's Readers Choice Awards 2024 G2 Leader in Tax Practice Management G2 Leader in Easiest to Use	2024

Sit Down With Our Founders

We love coming to work every day. While many people fret about running a startup, describing it as “jumping off a cliff and assembling a plane on the way down” and often thinking about an exit, we are committed to this journey for the next 20+ years. We remember meeting Greg Bayramian (Hi, Greg!) at a conference in Reno, NV in 2019 and him commenting on how he had been waiting for something like TaxDome to be built. He’s not alone. Over the past five years, we have grown 10,000% and look forward to continued growth. We interact with brilliant people across our organization—from researchers to HR, development, customer success, sales, and education - and more.

There’s a famous story about John F. Kennedy visiting NASA and asking a man holding a broom what he was doing. The man replied, “I’m helping put a man on the moon!” While practice management isn’t rocket science, every member of our team is solving real problems for real people, and that excites us to continue this work for a long time.



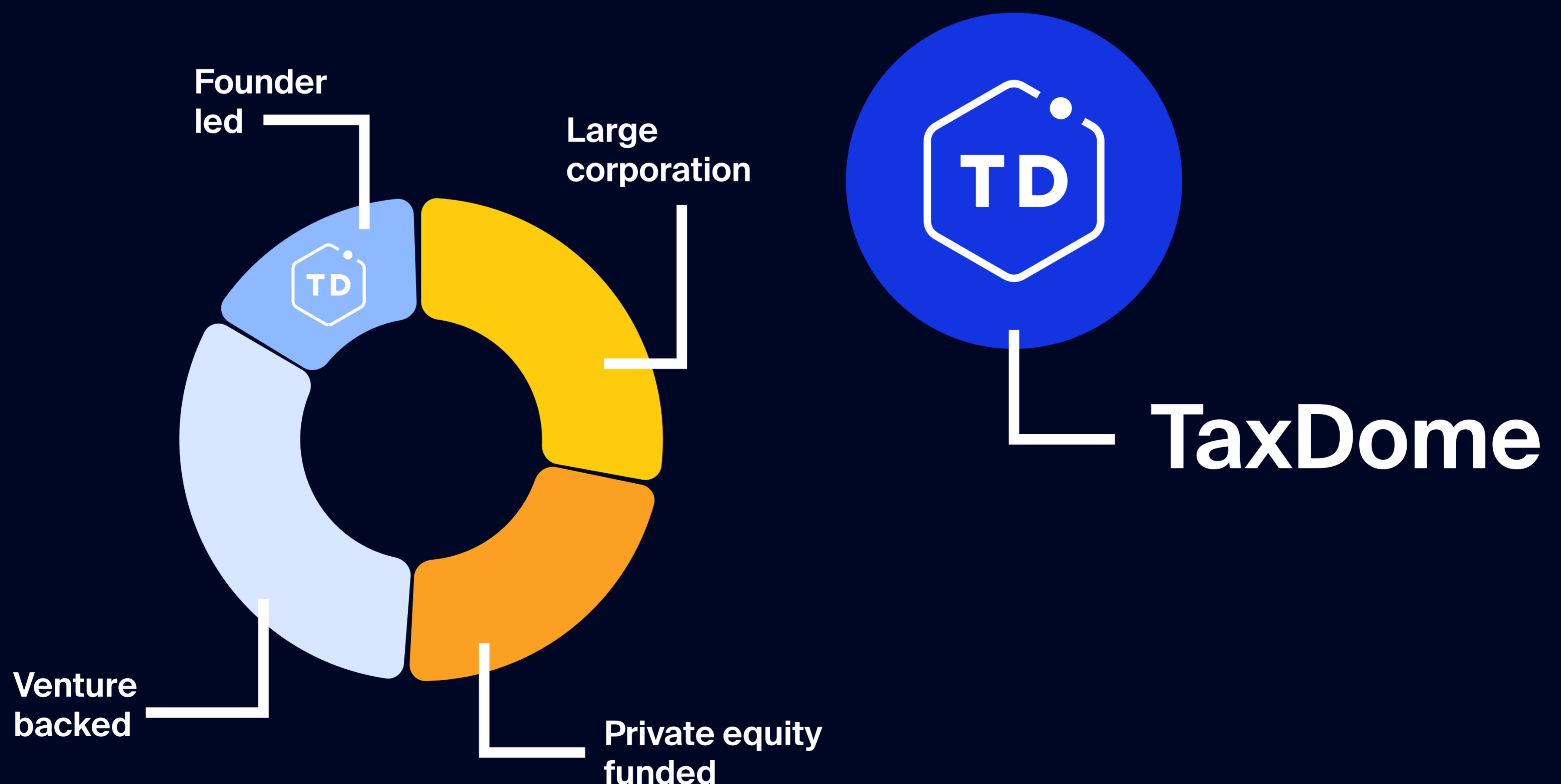
Ilya Radzinsky, CPO

Victor Radzinsky, CEO

Why You Should Believe In Us

The market landscape

Within our vertical, there are generally four types of companies: venture capital (VC) funded, private equity (PE) owned, software initiatives within large corporations, and founder-led firms. The VC model often involves big bets aimed at achieving a 100x return on investment. They are not built for sustainable growth, are often part of a portfolio where 80%+ of the companies are expected to fail and returns generated by a few big winners. PE-backed firms have less risk tolerance, focusing on optimizing investments by reducing costs or raising prices, often at the expense of product innovation. Large corporations often struggle to achieve true innovation due to their size and bureaucracy.



Then there are founder-led firms. Most have great ideas but lack the funding and expertise to scale effectively. They may achieve a solid MVP product, but without financial backing from VC or PE, they often reach a growth ceiling. Building a company and growing from 5 to 20 employees is one challenge; developing processes and systems to scale beyond that is another. Over the past year, we have focused on these very challenges, growing as founders and managers. Today, we are approaching 400 employees in over 40 countries, including implementation teams, education teams, security teams, an HR department, and more.

Do things that scale, don't forget those that don't

But even though we have an amazing team around us, we believe that no matter how our team grows, the two of us must stay as close to the market as possible and do things that don't scale. We would love to hear from you -- our emails are ilya@taxdome.com and victor@taxdome.com and our inboxes are open.

We attend events, host webinars, participate in podcasts and go to community happy hours - we believe that every single touchpoint is critical because it brings us closer to the community and makes it possible to not develop something for, but with the market.

When reading this letter, you may notice a lot of initiatives. This is intentional.

Building a company, a product, and gaining traction as a startup is phase A. Even reaching phase B, with around 30 people, doesn't require as many processes. However, to become an industry leader, it's crucial to establish the processes and leadership necessary to achieve your desired scale. Over the past year, we have focused on laying the foundation for future organizational success and continuous learning. We will continue to experiment, we will continue to learn, we will continue to innovate. Thank you for your trust and feedback as we continue on the journey.

Victor and Ilya Radzinsky

The Year in Brief

Product & System Performance

1.2M+

jobs completed

300k+

proposals & engagement letters signed

400k+

documents e-signed

\$500M+

invoices paid

Releases & Roadmap



2023

2024

2024 Product Overview

In 2024 we split our product into business clusters. Each cluster is composed of multiple teams which focus a unified mission within their cluster, tackling the key goals of that department within an organization. Some key initiatives for 2024 will be improving data collection processes, a unified communication center and resource planning. Additionally, we plan to integrate AI to fully automate workflows that previously required manual effort. Instead of merely suggesting improvements or shortening processes, our AI will take over entire tasks, freeing up valuable time for your team to focus on more strategic activities.

Firm management Responsible for reducing time to deliver work. Visibility into all work processes, reporting and analysis. Workflow automation to increase efficiency and streamline processes.	Client management Collecting, organizing and storing client data within the CRM. From intake to delivery, document workflows, client collaboration and communication.	Client experience Responsible for providing an outstanding user experience to the clients of tax, bookkeeping and full-service accounting firms.	Business operations Responsible for the lifecycle of finances within a firm. From proposal to managing A/R and time and billing, this group is focused on increasing revenue within a firm.	Integrations Responsible for identifying and integrating 3rd party tools within the platform, maintaining API and developer documentation.
Workflow automation	CRM	Client mobile app	Invoices	QuickBooks Online
Reporting	Documents	Client portal	Payments	Tax Programs
Resource management	Organizers (client intake)	Client tasks	Proposals & engagement Letters	Zapier
Calendar	E-signatures	Automated reminders	Time & billing	DATEV
Desktop apps	Secure chat	TaxDome AI	Website & branding	Companies House
Firm mobile app	Email			Schedulers
Wiki pages	Two-way SMS			Payment processors
Marketplace	Security			IRS Transcripts
Team Communicaton				
Inbox+				

Client Experience

Research shows that clients increasingly wish to interact with their accountants via mobile phones, and thus we're committed to building and maintaining the best possible mobile app, enabling firm practitioners to provide their clients an outstanding experience, from desktop or from their phones.

We are extremely proud of our iOS and Android apps; with over 6,000 reviews [in the App Store](#); in Q1 2024 the iOS app was consistently in the top 100 of all Finance apps. (The app is also [available on Google Play](#).) There are no accountant portals or other similar tools in the [Top 100 iOS finance app list](#). The majority of the apps in the Top 100 list are personal finance apps – e.g., Coinbase, Robinhood – and apps for large banks. The only 'tax' apps used to communicate with an accountant more than the TaxDome app are H&R Block and TurboTax. In the App Store ranking (number of downloads), TaxDome is just behind Wise and above other large companies like TDBank, NerdWallet, and Revolut.

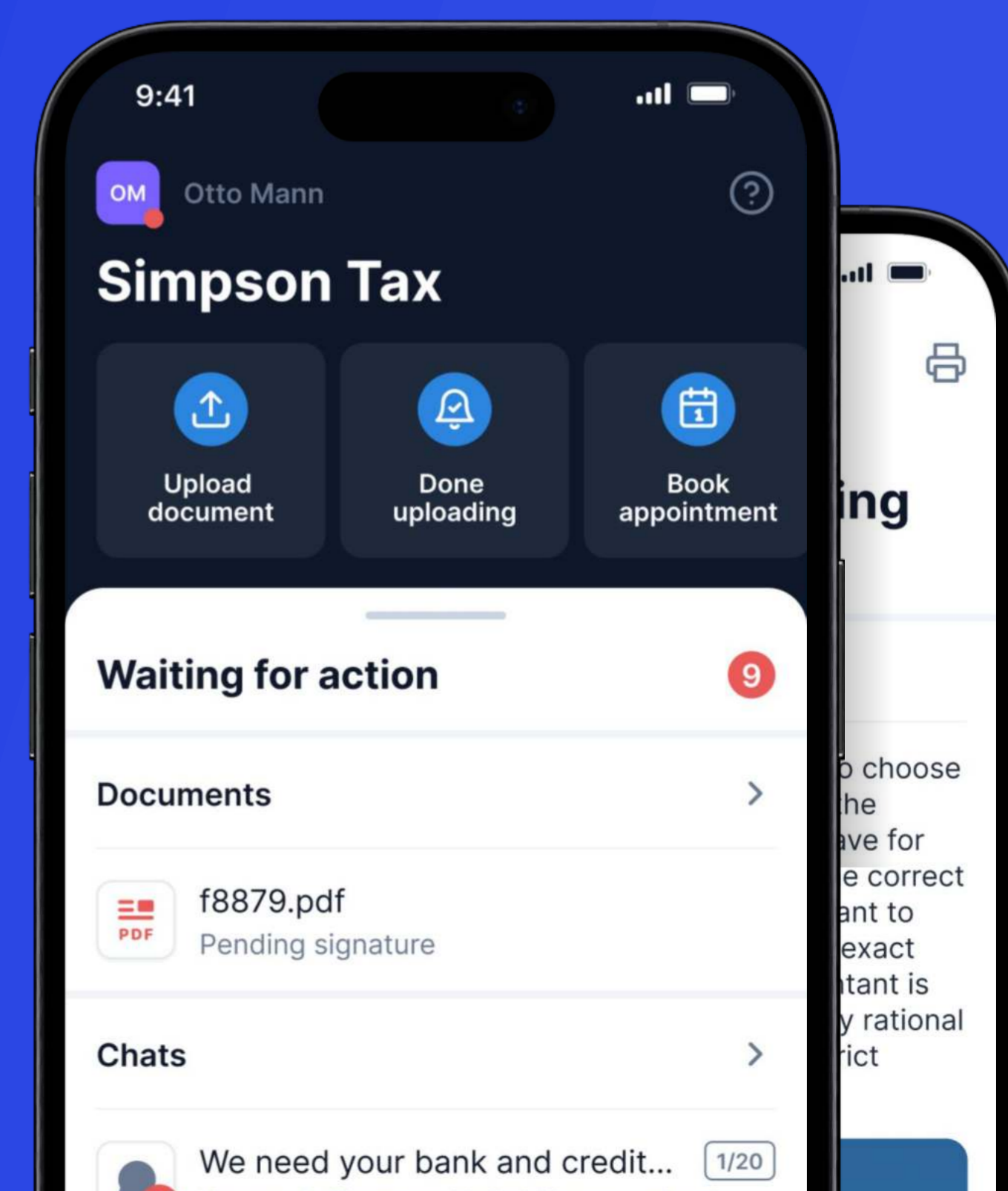
In the coming year, we will continue to invest in the client experience to make it as robust and easy-to-use as possible.

Top 100 iOS App

4.9/5 5k+ reviews



Download on the
App Store





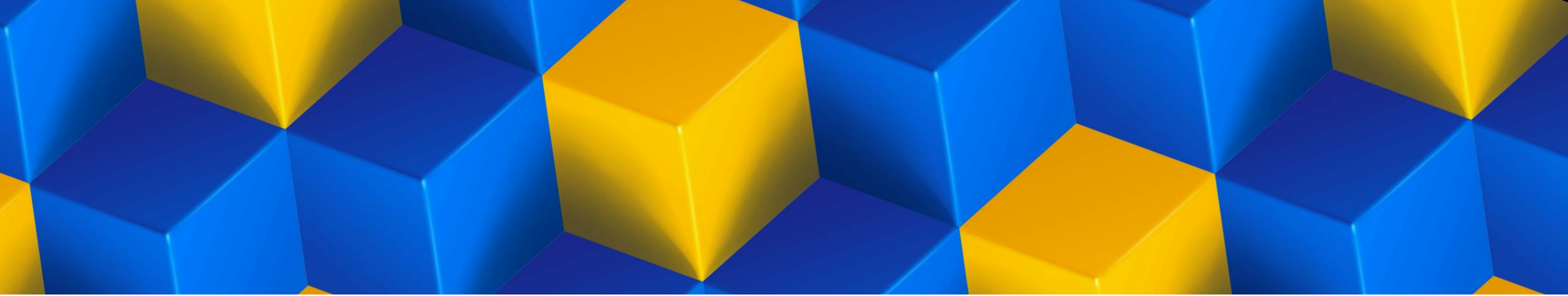
Stability & Changes to Release Cycles

Our uptime for the last year has been 99.97%. While the overall number is within range for other platforms such as Asana (99.97%) and Monday (99.95%), we are not content. While overall platform stability level has been high, we acknowledge there has been an uptick in bugs and our prioritization and escalation processes need work.

And we are making changes.

We have analyzed and revised our release cycle, testing procedures and escalation methods to ensure that we reduce bugs, and when they happen, that they are fixed expeditiously. While we've always had dedicated production teams focusing on overall system health, each cluster (see roadmap) is now tasked with Service Level Agreements (SLAs) regarding bug fixes and prioritizing the health and stability of their respective areas with the highest priority. We are committed to this resolution and are closely tracking several internal KPIs, pre and post release, with all teams aware that bug reduction is our top priority.

With regards to release cycles, we are making a few modifications. First, we are deprecating the early access community. Ironically, this group has become too successful, with over 5,000 people participating. While this demonstrates our community's belief in our innovation and their desire to stay on the cutting edge, it has diverted us from our goal of receiving actionable feedback from early adopters. We will



be sunsetting the early access community and introducing a true beta program. This program is designed for a select group of TaxDome power users who are interested in early access to new features and committed to an ongoing partnership involving both testing and feedback. This will help us focus on developing a more structured feedback process and ensure we deliver the most impactful enhancements to our platform.

However, we are not forgetting our early adopters. Instead of a general early access program, we will introduce opt-in releases, where individual features and enhancements will be available for early access on your platform before general releases. This allows you to decide if you want a specific feature in early access rather than opting in for all features.

Additionally, we will introduce gradual rollouts for significant features over a month-long period rather than releasing them to all users simultaneously. This approach will help us manage customer service inquiries more effectively and ensure we can respond to any questions promptly.

Lastly, we have identified a psychological oversight in our bug tracking system. Previously, we used the same system for tracking bugs and feature requests, where users needed to "vote" to be notified of bug resolutions. This unintentionally gave the impression that users were voting on which bugs to fix, which was not our intention. We are transitioning to a new platform for bug tracking, which will improve communication around any issues and ensure clarity in our processes.



Breadth of Product

In any platform, users tend to utilize a few key features heavily. For example, Microsoft Excel is used more frequently than Microsoft Visio Remote Desktop. We understand that firms are built differently; while the outside world may consider everyone in our industry an ‘accountant,’ it’s akin to calling everyone at a hospital a physician. For a hospital to run smoothly, billing is just as essential as morning rounds, though medical billers and doctors may not use the same tools. Similarly, we aim to provide an all-in-one platform that serves the diverse needs of firm administrators, managers, partners, bookkeepers (both outsourced and within the firm), tax preparers, sales and more.

Firm management

Plan and manage the strategic side of work down to everyday tasks

Revenue operations

Get paid on time with streamlined invoicing and client billing built into your workflow

Client management

Maintain all client data, documents, communication, and tasks in a secure, centralized location

Client experience

Deliver a top-tier experience with a white-labeled client portal and mobile app that your clients will love

Product Expansion vs Cost

In February 2023, we announced our first ever price rise. While we have never met a client, in any business, who wants the price they pay for a service to go up, there are several ways to look at it. Firstly - is the product you are receiving markedly better than it was when the previous price was established, and secondly, what is the company intending to do with the proceeds?

If the company was purchased by a private equity firm [we are not - TaxDome is privately funded], they are less likely to invest in the product than they are to optimize the business for cash flows and return on investment. If the company is public, they may be pressured to deliver quarterly results to investors through consistent annual price rises, regardless of product improvements. At TaxDome, we have been led by product and will continue to be so - we [plan to invest 75 million dollars in the next three years](#) on software research & development. Our offering will continue to innovate and improve, meeting the needs of not just today but tomorrow.



350⁺
TEAM MEMBERS



60%
SPEND ON R&D
(average SaaS is 20-30%)

Customer Success & Implementation



Customer Success

Scaling with growth

In the past five years, we have [grown by over 10,000%](#). While growth is always welcome, it can lead to scalability issues across the organization, especially in support. Over the past year, we have undertaken many structural changes to ensure we can best meet the needs of our customers. One of the primary goals of our customer success team is to provide the quickest response possible to any inquiry.

Restructured customer success team

To achieve this, we have restructured the team, developing specific task force teams focused on different stages of your lifecycle: customer onboarding, customer success, and customer care. To facilitate this transition, we have introduced key personnel with prior industry experience, implemented a new ticketing system, and aligned incentives while hiring additional talent.

Commitment to outstanding user experience

Our customer success team now comprises **over 45 people** and continues to grow. We are committed to providing an outstanding experience for all users and constantly optimizing every part of your user experience, including support. One significant change is the removal of unlimited 45-minute Zoom sessions for solopreneurs. However, unlimited chat support remains available. With these restructuring changes, we have reduced overall response times to **less than 1 minute** and increased setup rates (our internal measure of key feature implementation) by 30%.



MORE THAN

45

TEAM MEMBERS



AVERAGE
RESPONSE TIME

<1

MINUTE

Implementation

While many clients laud the comprehensiveness of our platform, others express frustration at its complexity compared to other tools. On one hand, our product is customizable and applicable for many firm types and sizes. On the other, leveraging that customization requires understanding the depth of relationships (e.g., a job vs. a task, an account vs. a contact). However, once clients achieve that “aha” moment, they fully embrace the platform.

We are addressing this frustration from multiple fronts: educational resources, the expansion of our UX research team, the introduction of the TaxDome Marketplace, and a revamp of our onboarding process.

I would fly anywhere in the world to watch them give an 8-hour presentation that saves me 5 minutes an hour. I've just made more money.

Expert network research participant

Education

Tailored education materials

Improving feature adoption through tailored educational materials is a priority. We recognize that individuals have diverse learning preferences, and in 2023, our Education team grew to over 30 people dedicated to creating content that caters to all types of learners. This ensures that everyone can effectively leverage TaxDome for their practice.



Live bootcamp workshops

The education team hosted 10 live bootcamp workshops, providing free, hands-on guidance. In 2024 we are expanding the bootcamps to address more advanced topics, resulting in two separate bootcamps -- Essentials and Advanced. We are committed to developing educational resources to make it easy for people to implement and make best use of the platform.

Bootcamp structure:

- Core functions and import preparation
- Importing clients, setting up the desktop app
- Setting up & customizing your workflow
- Testing everything & enabling payments
- Inviting clients, best practices and Q&A



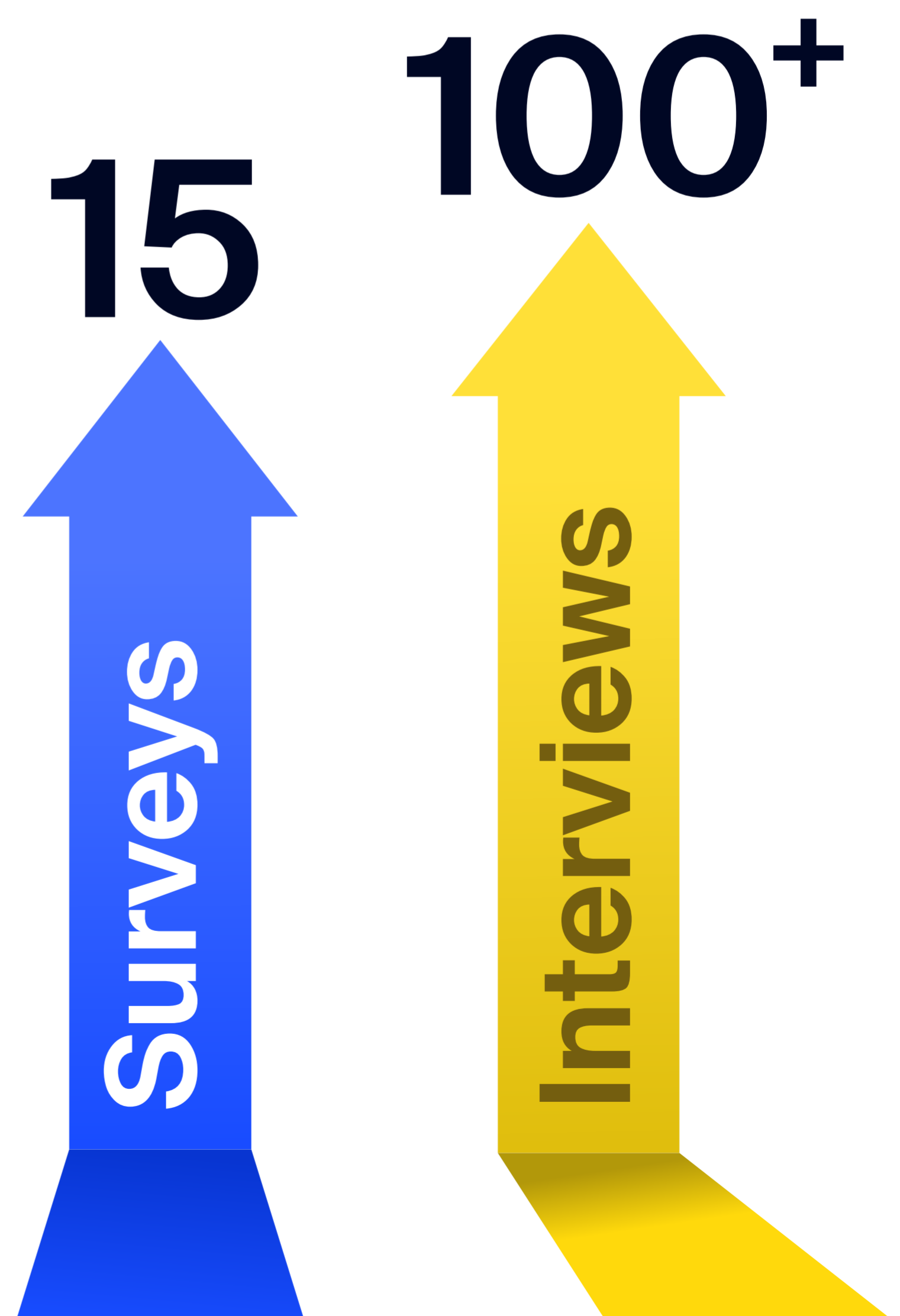
Research

Streamlining the user experience

Our user experience team has developed customer journey mind-maps and implemented numerous changes to reduce clicks across the platform. While there is still work to be done, we have reduced excess clicks in over 90% of common user scenarios. In 2023, we undertook “Project Apollo,” aligning our teams with a common mission of improving UX across the board. True to our belief in building with, not just for, the community, we are actively engaged in discussions and research.

Expanding research and driving improvements

We have expanded our research team to five led by the former Head of Research at a leading SaaS solution. Their efforts are already making a significant impact. Over the past year, we’ve completed more than 15 studies, interviewed over 100 of our valued clients, and conducted numerous surveys (thank you!). Your invaluable feedback has driven over 100 design and product improvements, all aimed at enhancing your experience with TaxDome.





Looking ahead: innovation in 2024

Looking ahead to 2024, we're taking our commitment to innovation even further. With strong leadership and a clear vision, our expanded team is set to conduct over 70 studies, including detailed surveys and interviews with more than 300 clients. We're also building a vibrant community of beta users to provide our product team with even more insights. This means continuous, cutting-edge improvements to make your TaxDome experience smoother, easier, and more aligned with your needs.

We appreciate your involvement and participation! Stay tuned for an even better TaxDome – we're just getting started!



Marketplace

While we have had ready-made templates for years, they were solely produced by our team and, admittedly, not updated often enough. The TaxDome Marketplace has changed that by crowdsourcing templates, enabling industry experts to share best practices. As Charlie Munger famously said, “Show me the incentives, and I'll show you the outcomes.” Creators can charge for their templates on the TaxDome Marketplace, earning money for their hard work. The better and more up-to-date their templates are, the better they will perform. More than 35% of firms have downloaded at least one template from the Marketplace - and we're just getting started.



Key Account Management (KAMs)

In 2023 we introduced and built out our sales and key account management teams. In talking to many firms, they wanted a direct point person for implementation and throughout the sales process. Our key account managers are your right hand men and women for running a large firm. In addition to implementation, our teams perform quarterly business reviews with their clients, helping them to better utilize the platform and meet their business goals. We are now not only teaching them how to use, but ensuring they're successfully reach KPIs they set for themselves as well.

I've been doing this for 20 years. I've used every accounting software. I use a payroll software, I use QuickBooks, We use Xero. We have all these different client management packages that we use and we spend money on, and TaxDome is the only one that calls and checks in and is constantly improving the product and asking us what we think about it. So, you guys are doing a tremendous job. We'd be lost without it.



Jonathan Cornea
Partner at Cormier and Rea, Inc.

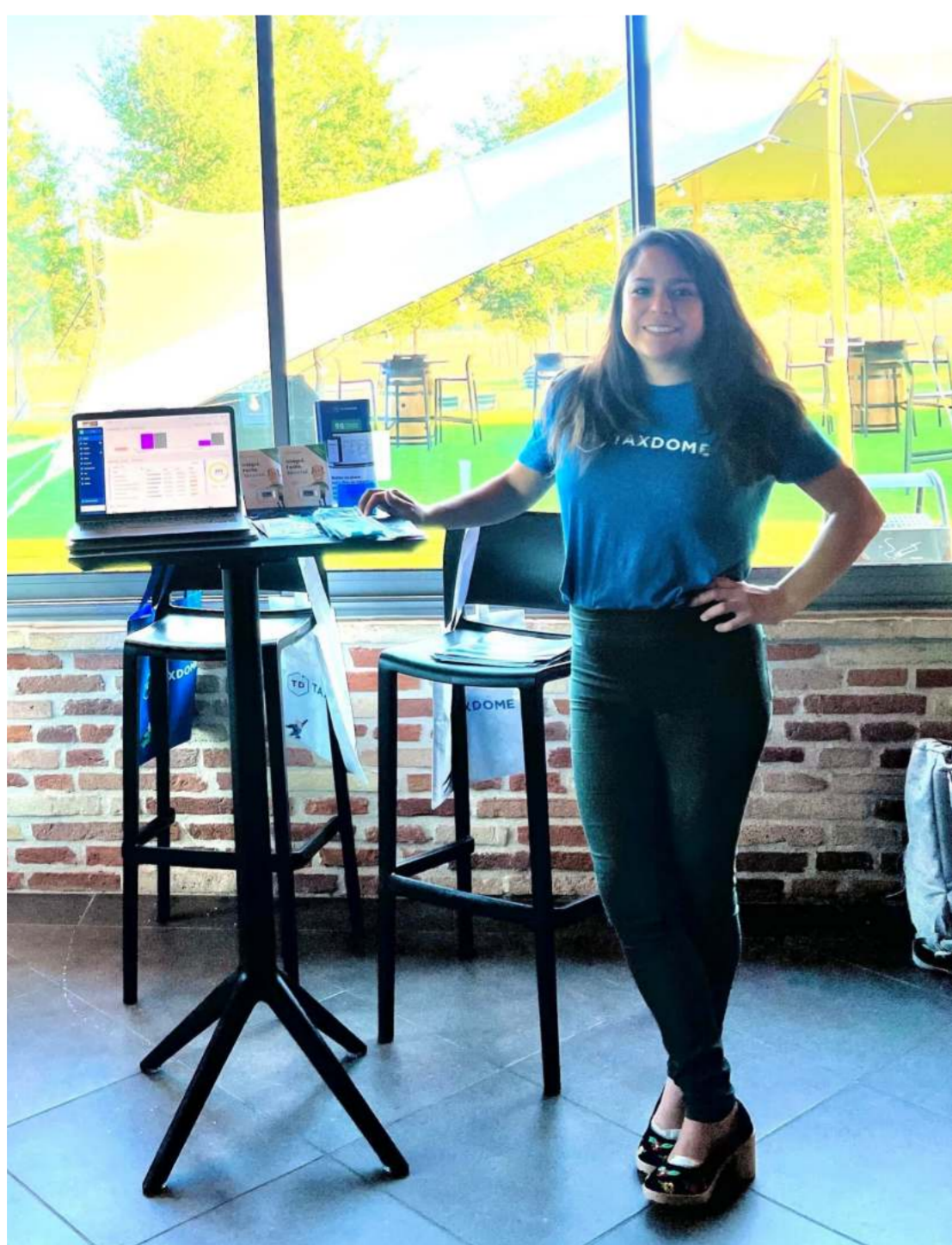
Team & Community

We Have a Global Vision

We are headquartered in the US but we are a global firm, with employees in over 40 countries and serving clients in 25+ countries with dedicated support in 12 languages.



We Are a Global Team



Meet You Where You Are

1k+

Office visits

50+

Events

20+

Webinars

40k+

Phone calls

We strive to be as close to you, our clients, as possible through coffees, lunches, dinners, and other events, as we strongly believe in in-person connections. In 2023, we attended more than 50 online and offline industry events. In addition to these events, we conducted over 1,000 office visits around the globe and made over 40,000 phone calls to existing firms to understand their wins and blockers. Looking ahead, we plan even more activities, including road shows, conferences, and additional get-togethers.

In 2024, we are undertaking a world tour of 20+ cities, we are excited to meet you!



Meet Us In-person

We are dedicated to connecting with our community in-person.



Join Customer Dinners & Events





Las Vegas, NV ————— 6/3 - 6/6

Tampere, Finland ————— 6/5 - 6/6

Orlando, FL ————— 6/17 - 6/19

Auckland, New Zealand — 6/30 - 07/2

Chicago, IL ————— 7/9 - 7/11

Orlando, FL ————— 7/22 - 7/24

Orlando, FL ————— 7/30 - 8/1

Baltimore, MD ————— 8/13 - 8/15

Dallas, TX ————— 8/20 - 8/22

Balneário Camboriú, Brazil — 9/8 - 9/11

San Diego, CA ————— 9/10 - 9/12

Paris, France ——— 9/10 - 9/12

Manchester, UK ————— 9/17

Stuttgart, Germany ——— 9/19

Hollywood, FL — 10/16 - 10/19

Tokyo, Japan ——— 10/17 - 10/18

Vienna, Austria ————— 10/24

Las Vegas, NV — 10/28 - 10/30

Toronto, Canada — 11/5 - 11/6

Madrid, Spain ——— 11/6 - 11/7

Houston, TX ——— 11/20 - 11/21

Financial Performance



Financial Performance

As a private company, we do not publicly share our financials. However, rest assured that we track everything meticulously to ensure our financial health and strategic growth. Our commitment to excellence is reflected in our industry-leading Net Promoter Score (NPS) of 50+. For context, an NPS above 50 is considered excellent and places us alongside renowned global brands such as Apple, Amazon, and Netflix. Within the software space, this score highlights our exceptional customer satisfaction and loyalty compared to other SaaS companies.

We pride ourselves on our substantial investment in research and development (R&D). Currently, we allocate over 60% of our revenue to R&D, significantly higher than the 20%-30% typical of other SaaS companies. Specifically, we are planning to allocate over \$75 million to software research and development in the coming three years. This commitment underscores our dedication to innovation and continuously enhancing our platform to meet and exceed client expectations.

We remain steadfast in our commitment to financial prudence, strategic investments, and the continuous improvement of our platform. Our focus on meticulous tracking and substantial R&D investment ensures that we remain at the forefront of the industry, delivering unparalleled value to our clients and driving their success.



TAXDOME