

10 KEY IDEAS FOR IMPROVING AND EXPANDING YOUR ACCOUNTING PRACTICE

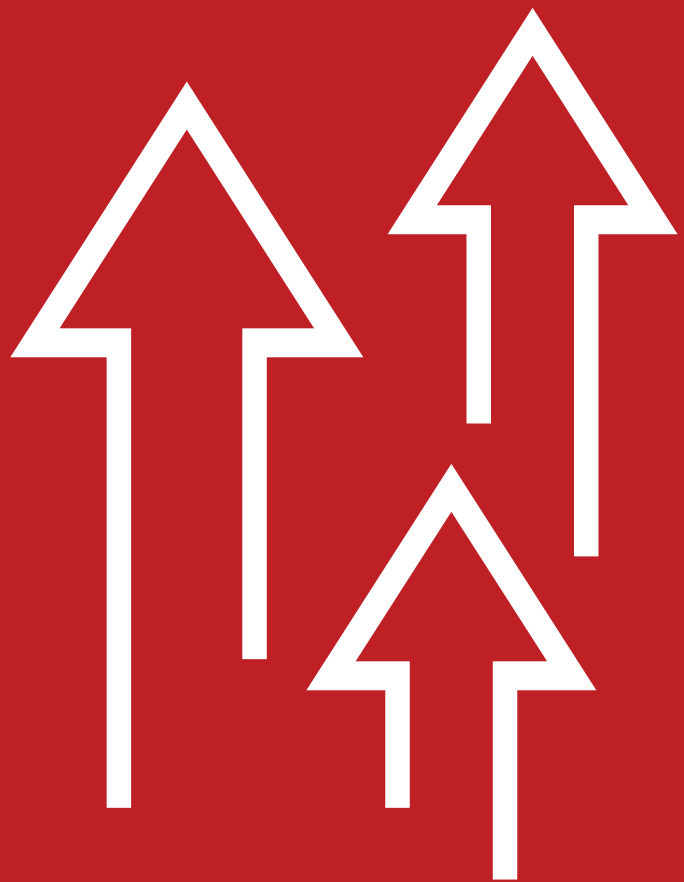
BUSINESSES MUST CONTINUALLY LOOK FOR WAYS TO GROW AND IMPROVE IF THEY WANT TO SURVIVE.

It's an old adage but continues to be crucial.

The pursuit of excellence offers obvious advantages, including the ability to attract other ambitious employees and growth-oriented partners and clients, according to Mark Schellinger in Forbes¹.

"The growth culture isn't a component of a company's strategy, it is the company's strategy," he advises. "Growth is a framework that needs to drive all operational tasks, projects and initiatives of a company. The DNA of the company needs to be growth."

With that in mind, here are suggestions for improving your accounting practice.





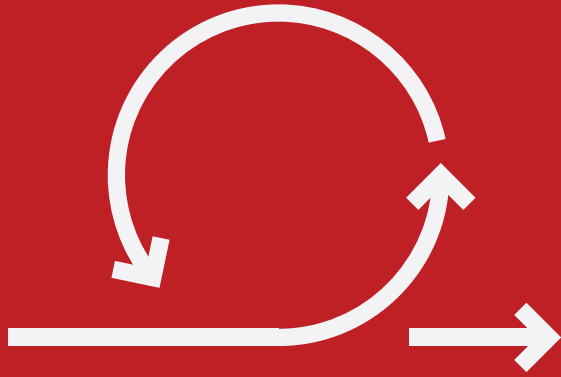
OPTIMIZE DATA

As big data and the IoT make consumer information increasingly easy to access, the companies that don't take advantage are going to fall behind. Forward-thinking companies of today use every tool at their disposal to learn about their customers' preferences and behaviors so they can fine-tune their offerings to fit. If your firm is still making guesses about your customer base, it needs to step up and invest in applications that can gather such data and turn it into "news you can use." Then you can segment your audiences to better address your clients' wants and needs. "From baby boomers to millennials, clients will respond positively to the accounting firm that consistently demonstrates it can meet all their financial needs," writes Kurt Avarell on CPAPracticeAdvisor.com². If you're a senior executive, it's crucial that you support the drive toward data; A McKinsey survey³ of high-performing organizations found the involvement of senior managers was most often ranked the top factor in the effectiveness of data and analytics.



EMBRACE AUTOMATION

Digital innovation is taking a lot of the busywork off accountants' plates so they can spend more time on business analysis and strategy. If your software hasn't been upgraded in a while, you may be surprised at how much personalization is possible and how many tasks can now be handled digitally. Look for a solution that can provide relevant, real-time business data on one dashboard and efficiently manage much of your billing, inventory control, workflow management and compliance. "In the not-so-distant past, CFOs and accounting professionals were seen as money-crunchers and 'numbers people,'" notes Niall Salmon in Digitalist Magazine⁴. "There is now instant access to information, which allows them to make tactical decisions in real time. Executives now look at their finance and accounting teams to serve as trusted advisers who can weigh in regularly to help make informed, strategic decisions that guide the company to the best possible outcomes."



EVALUATE CRITICAL PROCESSES

Try to identify areas of waste and areas that could be driving more revenue. Focus on the number of staff members involved, the number of client touchpoints, key steps that can't be compromised and inefficient steps that use too many resources. Use results to streamline your workflow. "Regardless of what industry you are in, or the type of customers you serve, the challenge of managing process flow and operations across diverse platforms and systems is universal," advises Nick Candito in Entrepreneur⁵. "Combining tedious manual tasks with the reliance company departments have on a smooth daily workflow makes it virtually impossible to maintain any kind of competitive advantage. Yet, this is how most companies operate." A recent article from Forbes⁶ written by Michael Fertik states that recently, "COVID-19 has lifted the veil and allowed us to recognize that many of the outdated, inefficient business processes must be digitized sooner rather than later."

SEEK TECH-SAVVY CLIENTS

In some cases your best clients will require face-to-face meetings, but you can save time and manpower (and optimize billable hours) if the bulk of your business comes from those who can work through the cloud, stream their financial data directly into your ledger and embrace similarly efficient methodologies. In the long run, customers who are high-maintenance because they're just not tech-savvy may not be profitable. "Maybe his browser doesn't support your service; maybe his machine is just old and outdated; maybe he really just doesn't understand how to work your product," advises Marissa Vessels on Thinkapps.com⁷. "Whatever the reason for his struggle, if it's not you, figure out how much time you're willing to devote to the issue."



PRIORITIZE GREAT TALENT

The accounting people you hire will have a significant effect on your culture and brand, not to mention your profitability. Take steps to recruit quality staffers in this admittedly tight labor market, offering as many perks as you can to attract and keep the best people. Look for tech savviness, attention to details and soft skills such as communication, problem-solving, teamwork and self-management capabilities. "It's remarkable how much of a productivity kicker an organization gets from top talent," notes one McKinsey⁸ report. "A recent study of more than 600,000 researchers, entertainers, politicians and athletes found that high performers are 400 percent more productive than average ones."



ESTABLISH A NICHE

If there's an industry or segment where your team is especially proficient, you may want to focus on pursuing more clients that could use your specific expertise. That could make for economies of scale while positioning your firm for new business. To make that happen, your team may need additional training, different marketing and word-of-mouth referrals from current clients in that niche area. "Niche marketing is where business owners can enjoy larger margins on their products and services," advises Megan Totka in Forbes⁹. "The key is to recognize the niches, adapt existing products and services to target them or develop new products and services that will appeal to new niche markets." A nationwide Suntrust¹⁰ survey this year found 42% of small business owners are marketing to profitable niches as part of their growth strategies.





EXPAND OFFERINGS

Similarly, you may be able to identify untapped markets your firm isn't currently addressing. Though many accounting services stop at general accounting and tax compliance, you could seek out business in areas such as strategic planning, budgeting, cash flow and/or talent development to boost profits. "Expanding your service portfolio is a relatively easy, low-risk strategy that is a win-win scenario," writes CEO Nellie Akalp in *Accounting Today*¹¹. "You win because you'll increase your revenue by offering more services. Your clients win because you will be helping take care of something they don't have the expertise to do. And they won't have to spend time juggling multiple vendors in the process." Often times, CPA clients are unaware of all the services offered by their CPA firms, and therefore use multiple vendors.

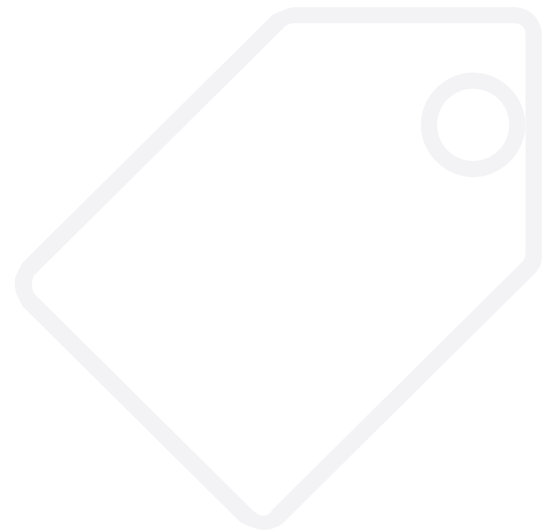


STEP UP YOUR CUSTOMER SERVICE

Examine your workflows and brainstorm ways to improve customer experience. "Once a newly signed client is assigned to an accountant, the focus sometimes shifts to finding the next client," notes CPA Amy Vetter in the *Journal of Accountancy*¹². "Firm leaders often don't always think about every touchpoint that each client will, or should, encounter in the firm. As you develop new offerings and new ways of using technology and delivering your services, maintain open lines of communication with your team and your clients to determine what is — and isn't — working." Clients can be your biggest advocate and lead source, so creating value for them while keeping them happy can be a benefit for both of you.

RE-EVALUATE PRICING

Are you reaping the best possible revenues for your services given the market you're serving? Perhaps you'd be better off charging hourly, on a percentage basis, a la carte, etc. Packaging various services can often be a win-win for both you and your clients. "The vast majority (of clients) are not price-sensitive but service-sensitive," notes CPA Brannon Poe in CPA Insider¹³. "You can often raise prices if you continue to provide a high level of service." The last national assessment for multi-partner accounting firms conducted by CPA Journal¹⁴ found that net fees were up 7.0% in 2018 for firms earning an annual \$5 million to \$10 million, with a 5.9% boost anticipated in 2019.



MANAGE YOUR BRAND

Gone are the days when companies can rely on a good product or service to sustain them. Even if you're a one-man shop, you need to develop a key strategy for marketing your services, maintaining social media presences, managing online reviews and otherwise controlling your company image — partly so you can attract great talent. "The more attractive and respected the brand, the easier it is to draw in the best and the brightest talent," writes Lee Frederiksen in Accounting Today¹⁵. "That, in turn, will give you a competitive advantage and the ability to attract more business, create greater value to support higher rates and help ensure long-term growth and profitability."



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