

STARTING YOUR OWN FIRM

Cookie-cutter approach simply won't work

By STEVE McINTYRE-SMITH

Finally ready to hang a shingle, eh? Well, good for you. It's an exciting time for an accountant; finally becoming more like the clients they have worked with for years by becoming self-employed.

The freedom to do whatever one wants, whenever one wants can create a feeling for some like a champagne cork flying through the air. For the unprepared, however, there can be quite a bump back down to earth.

Start with the basics

Starting your own accounting firm is like starting any other business, but with a subtle twist. Entrepreneurs will need to find an office location and furnish it, prepare a detailed budget and maybe raise the necessary financing to see them through their first few months, at the very least. They need to go through the registration process with their professional body to ensure the appropriate licences and suitable professional indemnity insurance are in place.

The soon-to-be owner might need to find some good employees from the start. Maybe there are a few people already in mind from past business relationships.

There is also the need to investigate a number of software options for tax preparation and working paper systems, scanning needs, document management systems, workflow management and time and billing options, to name but a few. Then there's the hardware to consider running all these great tools.

Practitioners need to carefully consider what type of client they want to attract to the practice. What types of services will be provided? What will the fee structure be?

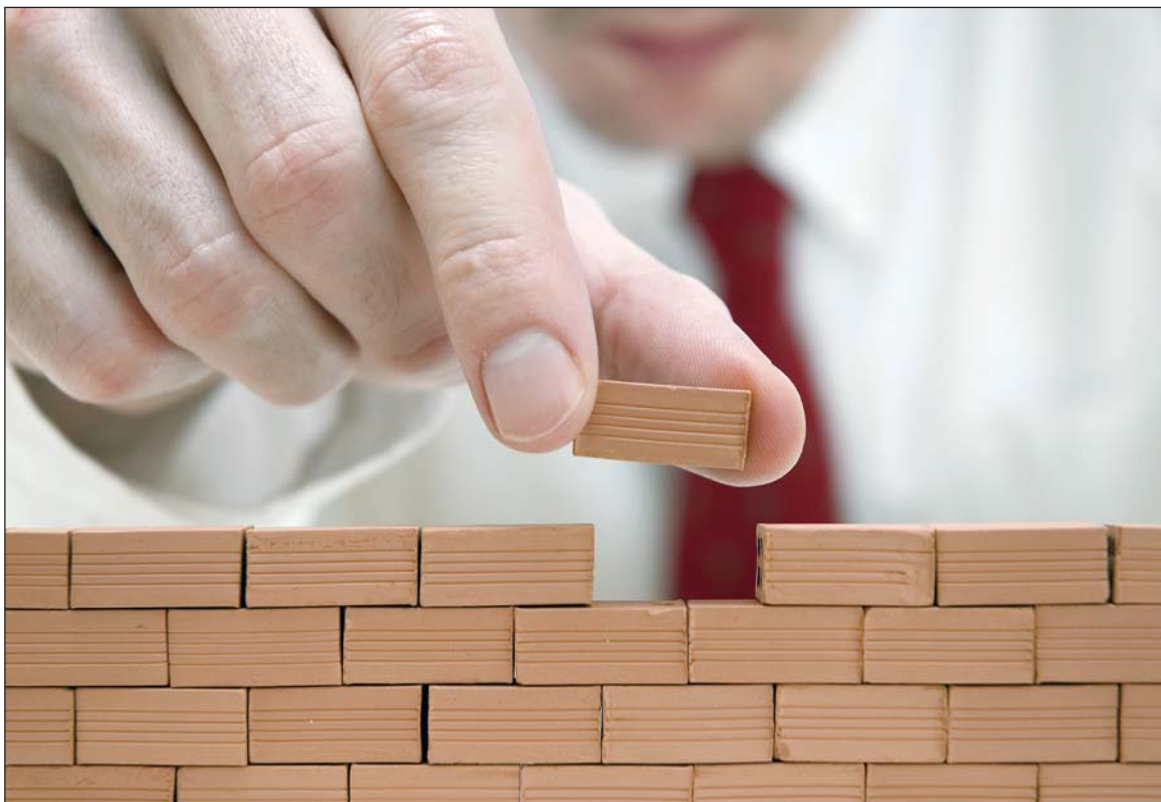
Next, it's a trip to a designer/printer and get a logo designed and letterheads and other stationery made up. Then, you'll need to find a good, but inexpensive, website designer to make a presence on the Internet.

And this is all before recruiting the first client

Many smaller practitioners are moving away from the 'audit and review' marketplace, preferring to deal with clients who need just a 'notice to reader' set of financial statements and their related tax matters addressed. Client selection criteria is an important matter to consider, but more on that later.

Try to be different

When the doors finally open on a new firm, the owner must be very specific about the type of client with whom they want to work. Otherwise, they will prob-



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ably wake up one day, 20 years will have gone by and the owner will have ended up, like many frustrated practitioners, with a practice that has grown by default, rather than by design. They will be left wondering what happened.

The entrepreneur needs to sit down before making the plunge to

probably understands why those questions should be asked of future clients. Failure to do so will inevitably mean that the practitioner will just take on any client who happens to find them.

This will lead to a frustrated practitioner in only a few years, guaranteed. Consider the fol-

stand the specific needs of these clients and have built a reputation in this field. Now, there's what an accountant could be the best at in their local area — helping construction clients.

Every entrepreneur needs to ask, 'What am I passionate about?' If one enjoys working

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develop a list of criteria that the best clients should possess, such as:

- Are they fun to work with?
- Do they operate in an industry in which the practitioner is knowledgeable?
- Do they see the value provided to them?
- Do they pay their fees on time?
- Do they make excellent referrals?
- Are they receptive to 'value-added' services?

Any accountant who has worked at an established firm

lowing three questions:

- What are you passionate about?
- What can you be the best at in your local marketplace?
- What can you do that will make money for you?

By answering these questions as specifically as possible, the practitioner will start to be a little bit different. Here's an example. Let's assume that a professional has developed a level of understanding of and expertise in the construction industry. They worked with some of the big names in the industry, they under-



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with builders and has a passion for the industry, then they are on track to build a niche market for their firm.

How can the practitioner make money? By helping construction companies manage their construction projects, dealing with the

financing, cash flow planning and so on.

Potential clients are all tuned in to the world's most popular radio station, WII FM. They're constantly thinking 'What's In It For Me?' The job of the practitioner, in all marketing materials, is to answer that single question.

This is not a numbers business — this is a people business. As shocking as that may sound, after all the technical training accountants have done to get here, it is absolutely true.

The problem the profession has is that it offers next to no training in marketing, how to build referral networks, good social skills for attending events and generating business from them and other marketing 'secrets.'

We as accountants qualify and suddenly find ourselves setting up our own firm or joining a partnership, often unprepared for the role. Fortunately there are now resources, coaching, training and other tools available one can buy just about anywhere to help in these areas.

Building a practice based purely on the almighty chargeable hour is not the best way forward. Of course, it's how we have seen others manage their own firms in our career thus far, but is there a better way? Well, yes.

If we invest in analysis tools, it puts us in a unique position. We can sit down with clients and show them how to build a better business. That is what most forward-thinking clients want from their advisor.

The great news is that these types of services can be positioned to bill based on value rather than the time taken to provide the service. If we can bundle services together, such as year-end financial statements, annual corporate and personal tax returns, quarterly sessions and annual tax planning session for a fixed fee over the year, and get our clients to pay us monthly in advance, then we can set ourselves up to never need bank financing. And rarely would clients complain about fees.

Sound interesting? It should. By implementing these ideas from start-up, practitioners will offer a very different option for clients, and they will run a much more profitable, faster growing and fun business for the rest of their days.

I wish you well in your endeavors.

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