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FIRM MANAGEMENT

6 Strategies for Accounting Firm Growth

Accounting Firm Success Hinges on Niche Approach

Hugh Duffy • Dec. 10, 2013

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When Alan Sasserath, CPA, and Greg Zoraian, CPA, started [Sasserath & Zoraian, LLP](#) in 1997, they knew they wanted to create a practice that was successful, profitable and unique. For them, that meant finding a way to differentiate themselves from other firms by creating one or more industry niches. At the time, they chose one that was unusual, hedge fund administration, and one that was still fairly unique among smaller U.S. accounting firms: international tax.

Although it took several years to reach their goals, they had a number of bumps in the road, along with several happy accidents and strategic moves that made their firm successful. How did they do it? They came up with six strategies.

Strategy #1: Don't be Afraid to Pay for Expertise

“By design, we knew we wanted to create a valuable practice with services that not every CPA could offer,” said Alan, “We wanted a barrier to entry.”

That barrier meant Alan and Greg had to invest in time and staff to learn their first specialty niche, hedge fund administration. They hired someone who was a head trader at a fund and had contacts with attorneys and others in the field who helped the firm bring in its first clients.

“In the beginning, we knew enough to be dangerous, so we leveraged the experience of someone who had been with a \$20 billion fund,” said Greg. “We continued to add resources to get the work done, including people and software.”

Their [hedge fund administration](#) business is now run as S&Z Fund Services; today, the company administers 60+ funds. The philosophy to hire expertise as needed continues to serve Sasserath and Zoraian in all of their business endeavors. Their goal is to ensure their clients get the advice and service they need. While it may cost a bit initially, Alan and Greg feel it is worth it to the firm because their clients recognize and refer the firm for the quality work it provides.

Strategy #2: Turn a Windfall Into an Opportunity

Once the hedge fund administration niche was established, Alan and Greg knew they needed another complimentary, yet unique niche to continue to grow their business.

This niche fell into Alan’s lap. “Because of our reputation for caring for clients, I was referred to a client that needed U.S. personal income tax returns prepared for 10 expatriates,” said Alan, who admits he would have liked to have more international experience at the time. However, he felt comfortable taking on the client due to the network he had built.

The law firm that referred him also offered a resource, a partner with extensive international tax structuring experience whom Alan consulted with as needed. The international tax niche sprouted from there; today Sasserath and Zoraian provides [cross-border and expatriate tax services](#) for corporate and personal clients.

“You can’t just hang out a shingle and say you do international tax,” said Alan. “It took me a couple years of learning before I felt comfortable even saying I worked in this area.”

Strategy #3: Networking: is Key to Success

“Relationships pay off,” said Alan. “I’ve been in the business for more than 20 years and kept in touch with just about everyone I meet. Our firm’s philosophy is to become part of the ‘woodwork.’ We want to be seen as reliable experts. It shouldn’t just be about the rate we charge or the cost for our services; what we want to do is provide so much value that our hourly rate is not even a thought.”

Alan and Greg have found attorneys to be a great resource for the hedge fund and international tax niches. They have also had good luck keeping in touch with

colleagues at larger firms who may make a referral or contact them for specific services. Clients also provide referrals, especially those who chose Sasserath and Zoraian for personalized attention after leaving a large firm.

“It helps that our connections know we’ll take good care of a client,” said Alan, who spends about 10% of his time networking and estimates his partner Greg spends slightly more time.

Strategy #4: Invest in Technology

One of the differentiators for the firm is the willingness to invest in tools and expertise to ensure their clients get the best possible services available – and quite a bit of that investment focuses on technology. For example, rather than using Excel like many other hedge fund administration competitors do, the firm uses an investment management software called Advent Geneva.

This investment has led to more business because larger hedge funds don’t want to have it in house due to the cost and time to learn the program. When they call on prospects, Greg talks about technology and the advantages to having this technology.

“The reason we have Advent Geneva is that there are a lot of other hedge fund administration firms that use Excel or less expensive software where there is the potential that human error can occur,” said Greg. “Once it is set up, everything we need to happen occurs seamlessly without requiring us to re-key information. We don’t generally talk about time savings as much we do the superior product. If anything, they may have to pay a premium.”

Strategy #5: Partner for Growth

Recently, Sasserath and Zoraian entered into a joint venture with another firm that provides hedge fund administration services.

“A small firm approached us who was getting a lot of leads, but could only handle so much of the work,” said Greg. “We are partnering to handle the workload while he brings in more business.”

The collaboration resulted in 20 additional hedge funds and adds a business development resource to the firm.

Strategy #6: Focus on Website Marketing

The advantage of having unique niches is a growing business through referrals and online marketing tactics. Sasserath and Zoraian have a multi-website strategy to generate leads for their core businesses. They have websites for their [CPA and Tax services](#), for their [hedge Fund administration](#) business and a new one for [international tax work](#).

In addition to the websites, Alan admits that the firm needs to do more to market and manage its prospects. Although the firm gets leads from its websites and the two partners use LinkedIn, most of the firm's growth had been word-of-mouth.

“We used to do a newsletter and got leads when we kept our name in front of people,” said Alan. “Right now, we have plenty of activity because of our reputation, but we know that's not enough for the long term.”

Sasserath & Zoraian has a lot going for it with contacts, a great reputation and its online marketing strategy to increase business.

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