

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

Released the results of our second annual SMB study...

**Doug Sleeter** • Nov. 07, 2014



What do SMBs want? Have you stopped to think about what small businesses really want when it comes to hiring or switching accountants? In March of 2014, we released the results of our second [annual SMB study](#). The study makes a clear case that accountants' "cheese is moving." The question is what *you* should do about it?

If you've been in the business for ten years or more, you probably designed your firm using the traditional assumptions. Those assumptions probably went something like this:

- **Assumption 1:** Client does bookkeeping in house, using desktop software with all accounting data stored on the client's internal desktops, LANs and servers.

- **Assumption 2:** Most information transfer between client and the firm was on

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

there was no remote, affordable technology solution that allowed you to provide client accounting systems profitably.

And because you were diligent about building your firm to perfectly match these assumptions, you probably also assumed that your firm would be viable for decades to come. Furthermore, you naturally assumed that when you do want to retire, the traditional valuation models all but prove that you'll be able to sell your firm for 1 times billings.

However, given the dramatic improvements in technology and the new wants of SMBs, does it really make sense to assume the firm designed to meet the assumptions above will have anywhere near the traditional value?

There are many experts focused on helping firms value and sell their CPA firm, but what I find missing from most valuation calculations is anything about how the business and technology model affects the firm's value. In today's market, firms must contend with the unprecedented technology changes that dramatically impact what SMBs want from their accountant. And since so many firms have not done that, the true value may be close to zero when they get ready to sell. Who would buy inefficiency, low profitability, and services that do not match what SMBs want?

It's not the fault of the firm founders, because there was certainly no way to know how quickly the technology landscape and customer adoption trends would so dramatically flip to the online world, but here we are. Unfortunately, virtually all firms ten or more years old were built on obsolete assumptions. Those firms must completely rethink the business model.

What if you could start from scratch and design the most profitable, high-value firm using today's market assumptions, focused on what SMBs really want? If you could, this might be your new assumptions:

- Design Goal 1: The firm requires all clients to have their accounting records in the

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us

- Design Goal 2: The firm will have a dashboard that shows the firm financial picture and allows the client to self-serve to drill deeper into the information for detailed reports.
- Design Goal 4: The firm will be paid by clients electronically, before services are performed, and using a value billing model that doesn't require detailed hourly timesheet logs to justify every service provided.
- Design Goal 5: The firm will hire the most highly skilled technicians combined with the most customer-centric partners and support staff.
- Design Goal 6: The firm will reward the best performers with high pay.
- Design Goal 7: The firm will provide flexible working hours, and the ability to work at any location.
- Design Goal 8: The firm will focus on developing its people so they can grow in their careers and eventually become owners allowing the founders to exit the business without disrupting the business.
- Design Goal 9: The firm revenue sources will be a healthy mix of client accounting services, including bookkeeping, payroll, financial analysis services, tax planning, tax preparation, and strategic business consulting.
- Design Goal 10: The firm will continually upgrade processes and use best of breed software solutions to improve efficiency of the staff and value to clients.
- Design Goal 11: The firm will invest heavily in tracking what SMBs want and how the changing needs of clients create new opportunities for the firm to develop new services and discontinue outdated ones.

These design goals can help you think about the firm you have today and the firm you want for the future. Use them as a starting point and make your own adjustments to match your particular vision.

Whatever you do, don't put it off, and make sure your goals create a firm that is leading edge today, and viable into the future. Your children will thank you.

Hello. It looks like you're using an ad blocker that may prevent our website from working properly. To receive the best experience possible, please make sure any blockers are switched off and refresh the page.

If you have any questions or need help you can email us