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Mar. 30, 2016



Though this post often refers to “sole practitioners,” most of the tips and tactics apply equally to all firms.

### **During the life of the firm**

The best way to avoid a problem is to prevent it from happening in the first place. In the context of our topic, this means developing a practice over time that will

ultimately be attractive to a buyer. Sole practitioners tend to build their practices by

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- low-level write-up work. Buyers love it when the seller has 3-10 corporate clients with high annual billings.
2. Have a specialty or niche. It doesn't need to be anywhere near 100% of your practice; 20-30% is fine. The more that a seller is a specialist than a generalist, the more saleable the practice will be.
  3. Have good staff that the buyer can retain.
  4. Develop a leveraged practice; delegate to staff. If the solo works 1,500-2,000 billable hours a year, consisting mostly of staff-level work, the seller seeking to work at the buyer after the sale will not have much to do because the buyer will insist that staff-level work be done by staff.
  5. Have non-solicitation agreements in place with all staff to prevent them from taking clients after the sale.
  6. Be reasonably profitable.
  7. Have decent billing rates that will ultimately be more compatible with potential buyers' rates. Sellers should refrain from doing practice development by being low-priced.
  8. Develop good hygiene regarding practice management. Keep good timesheets. Bill and collect on time. Meet deadlines. Avoid doing work at the last minute. Keep client files neat and organized. Be fastidious in adherence to sound workpaper techniques and proper professional procedures. Be current with computers and technology.

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*Marc Rosenberg is a nationally known consultant, author and speaker on CPA firm management, strategy and partner issues. President of his own Chicago-based consulting firm, [The Rosenberg Associates](#), he is founder of the most authoritative annual survey of mid-sized CPA firm performance statistics in the country, The Rosenberg Survey. He has*

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