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look to differentiate themselves from their competition, more and more accounting firms are picking up on a trend known as niche accounting.

**Jon Baron** • Apr. 26, 2016



Is your accounting firm looking for new areas in which to expand? As accountants look to differentiate themselves from their competition, more and more accounting firms are picking up on a trend known as niche accounting.

# What is niche accounting?

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## niche

If you've been in business long enough, you may find that many of your clients are in a similar profession or industry. This could be based on your location or word of mouth referrals from similar business clients. Or, perhaps you have previous experience in a particular industry and can parlay that expertise into targeting clients in a similar line of work.

Regardless of the way a particular accounting niche catches your eye, it's important to be sure that the specialization you choose is large and profitable enough for you build a client portfolio. It's also worth taking a look at local firms that may already be in the business of nice accounting. Are they already targeting the niche?

Overall, when choosing accounting specialties, it all comes down to knowledge, experience, and relatability—the more you have, the better. Credibility with clients cannot be overstated.

## 2. Understand the market

To truly understand your chosen niche, take time to talk with clients and prospects about their wants and needs from an accounting, financial, or business consulting perspective. Visit their business to understand what their day-to-day activities consist of. Document your findings and use them to build a business plan.

Rob Carmines, [Partner at Carmines, Robbins & Company, PLC](#), did just that when building a dental arts niche for his accounting firm.

“Beyond core accounting work, our firm offers extended value because we truly understand the challenges dental practice owners face within the industry,” says Rob. “With our extensive experience in this niche, we are intimately familiar with the day-to-day operations, overhead structure, billing routines, and staffing

requirements of dental practices—and we use that information to target our

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When it comes to marketing, consider a separate website and marketing materials geared towards clients within your specialization. Attend industry-specific conferences and target prospects via direct marketing channels. It also might be worth setting up thought leadership channels, like a blog or regular posts via social media outlets to build your brand.

As you grow your network and client base, it is also worth venturing into related industries or sub-niches to capitalize on related opportunities.

## **4. Utilize technology**

By utilizing technology to automate your standard workflow processes, you'll free up time to focus on niche accounting efforts such as understanding your market and developing vital relationships with clients. And from a client standpoint, offering them the latest technology, like client portals, proves that you're a forward-looking firm who can offer them anytime, anywhere access to their information.

“By utilizing technology, we develop a customized performance score card to measure key financial metrics and help our dental clients pinpoint areas for improvement, including performing regionalized peer comparisons,” says Rob. “With this data in hand, we can help them make sound business decisions that foster the growth and prosperity of their practice.”

## **5. Stay diversified**

While focusing on a niche market can be profitable, be sure to stay diversified to manage your risk. Because entire industries can go through ebbs and flows, it's important not to put all of your eggs in one basket. Don't be so focused on one market that you miss opportunities with others.

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