CPA
Practice Advisor

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

clients do more than survive – they can help them thrive. https://candemic.com

Nov. 06, 2020



Let's do this.

Main Street CPAs are on the front lines of the battle for small business survival. They **can** be first responders to the small businesses caught up in the crisis brought on by this crazy virus. They **can** make a positive difference to a business on the verge of closing or one that has had to close. They **can** do good and do well.

Help make the Pandemic a Candemic. https://candemic.com/

We have all seen the statistics and have heard how the virus has ravaged the national

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

Main Street CPAs are in a privileged position to deliver impactful advice to help their clients do more than survive – they can help them thrive. Within the present turmoil and uncertainty lie the seeds of opportunity and latent growth.

CPAs know that a business's value is far more than just the physical and tangible property, equipment, and inventory that are shown on a balance sheet. Numerous other types of assets are reflected in a company's value and do not appear on the balance sheet. Alphabet Inc., Google's parent company, had a tangible book value of $179 billion at the end of 2019. They had a corresponding market value of $935 billion.

Leveraging that knowledge and recognizing that a business's valuable assets include customer lists, networks, and community relationships, CPAs **can** be a catalyst for helping lessen the damage caused by the pandemic.

A business that is closing due to the virus may not be able to be saved. But what if a CPA **can** make the closure less painful, at least financially?

Imagine this. A CPA has a client called "New Day Spa." How **can** the CPA help New Day Spa and simultaneously help the local former owners of the closed "Old Spa" as well as their customers?

By helping New Day Spa acquire Old Spa customers for $0 down!

Here's how:

1. With the New Day Spa owners (new businesses in an industry), reach out to Old Spa owners (failing businesses in an industry).

2. Let the Old Spa owners know that New Day Spa would like to help them recover some of their losses.

3. The plan is to give them a percentage of future revenue, for a period of time, if

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

6. Have "alumni" events where the Old Spa owners do "guest appearances" to reconnect and stay connected with their customers.

Who wins?

Everybody.

Old Spa customers are introduced to a "new home." They receive some discounted services and have a way to express their support for the old owners without it feeling like charity.

The Old Spa owners receive some financial gain from their customer lists and relationships they otherwise would not have. They are offered the chance to stay connected with the people, the community, and the industry they love. And the heartbreak of losing their business is diminished, even a little bit.

The CPA is seen as an innovator and problem solver, helping connect people and businesses while helping to stabilize the community. The financial models will need to be prepared and analyzed to determine the amount of a discount to be given and the length of time for a revenue-sharing deal. Maybe the CPA can even participate in a gain-sharing arrangement.

This approach can be used for almost any small business in any community. CPAs know the numbers of their clients' business. They **can** help them see and realize the potential value.

There are predatory and opportunistic businesses looking to take full advantage of the crisis. Let's beat them to the punch. Let's show our communities what **can** be achieved and how.

We are all in this together. We **can** do this.

What are your ideas? How **can** we get the word out to as many CPAs as possible?

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

CPA Practice Advisor is registered with the National Association of State Boards of Accountancy (NASBA) as a sponsor of continuing professional education on the National Registry of CPE Sponsors.

© 2024 Firmworks, LLC. All rights reserved