

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

anything else, take the time to assess the services you are offering and see which ones you can eliminate. These are services that don't yield good profits, yet take a lot of time

**Shahram Zarshenas** • Jan. 14, 2021



Every job comes with its challenges, but being a CPA is especially difficult. Between the deadlines to be met, client mergers to sort out, and audits to complete, you still have to make sure you avoid error, lest an unhappy client seeks legal action for a small mistake you didn't know you made.

In the financial world, there will always be pressure to work accurately. However, you still need to consider profitability—and with that, efficiency. In 2021, things are changing in the world of accounting. There will be new processes to adopt and new

tools to get used to. With the rise of AI (artificial intelligence) and automation, it's

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

else, take the time to assess the services you are offering and see which ones you can eliminate. These are services that don't yield good profits, yet take a lot of time.

By evaluating every part of the services you provide, you will likely identify tasks that are taking time and money away from other more profitable endeavors. If they are crucial parts of your services, consider the possibilities of streamlining or automating portions so you can deliver more services but spend less time on tedious, manual tasks.

### **Cut Down on Operating Inefficiencies**

How much money are you putting on operating inefficiencies? Reassess the tools you use, your processes, and how you communicate with your team and clients. If you think you don't have any inefficiencies with your operations, then you're probably looking at the wrong places.

When you think about this, you will be able to think of better ways to store data, eliminate or automate steps in workflow, and manage projects. Put aside plenty of time to break down every step of the process because even if you think your operations are efficient, there will always be inefficiencies and bottlenecks that you can address to improve your bottom line.

### **Focus On A Value-Based Pricing Model**

Most CPA companies rely on hourly pricing models, in which the rates are based on how long tasks take. The problem with this is that it can create additional work because you will be forced to spend more time accounting for every minute of the day.

When you focus on a value-based pricing model, however, you charge clients based on the amount of value your CPAs provide. Therefore, the selling process becomes

more effective because your clients will place less importance on the time you spend

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

to do it. You can use these tips to increase your profits and grow your firm.

**Manage Your Firm Effectively, Boost Your Profits** With effective firm management, you can increase your profits. Fortunately, aside from these tips, you can use a lot of tools to implement more efficient management in your company. Improve your [CPA firm management](#) with Financial Cents; we provide an easy to use cloud-based accounting practice management solution. Start a free trial now.

This article first appeared on the Financial Cents blog: <https://financial-cents.com/2021/01/06/accounting-firm-profitable-in-2021>.

Artificial Intelligence • Firm Management • Technology

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