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more precise look into how much work you put into your service. Have you recently expanded your practice to incorporate new services? If the answer is yes, then...

Shahram Zarshenas • Mar. 04, 2021



Every year, accounting firms across the country take time to reevaluate how they handle business with their clients. One important discussion point is, “how much are they charging their clients for their services, and is it enough?”.

Pricing is one of the biggest concerns of a majority of accounting firms right now. Some may feel they are overworked and undervalued with all the extra work they

provide. It's not an easy thing to discuss especially if they're dealing with demanding

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expanded your practice to incorporate new services? If the answer is yes, then it's a clear indication that you need to raise your fees.

Adding more value to your practice should be equally compensated. You also get more experience through the years, which in itself increases your value. For legacy clients, you may have started with minimal experience and a modest fee. Now that your firm has grown and gained more experience, it's time to negotiate fees that reflect that growth.

Technology Advances Along With Cost

Being in the business for quite some time, you're bound to adopt new tools and equipment to help you do a better job. You may have switched from a rudimentary form of accounting workflow to automation and computerized accounting. Updating the accounting software you mainly utilize always comes with a cost. The price of doing business online and using automated systems can be expensive.

Telling Your Clients

Now that you have enough justification for raising your fees, it's time to tell your clients. Informing your clients that you're about to raise your fees may be daunting, but there's just no way around it. If you want your firm to survive and thrive, you need to make the hardest decisions.

Everything starts with a sample letter for an increase in professional fees. Notify your clients with a carefully structured letter stating your intention, justification, and commitment to providing a better service.

Here are a few things you should consider mentioning in your letter:

- Thank your client for their business, and let them know that you value your

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- Reiterate your commitment to exemplary customer service. Let your clients know that you are willing to provide a level of service they have the right to expect.

The last thing you need to consider is when you plan to send the letter and when it will be effective. Ideally, you should give notice at least two months before the actual implementation of the new rates. Give them enough time to accept your proposition, but not too much time that they may seek other alternatives.

Conclusion

Raising professional fees is a natural part of any accounting firm's growth. It's never an easy decision to make, but you'll experience it sooner or later. As the market evolves, your business relationship with any client should also follow suit. In the end, your goal should be to provide excellent service and obtain fair and reasonable compensation for it.

Every accounting firm needs the right tools to provide a level of service they can be proud of. Financial Cents offers [CPA practice management software](https://financial-cents.com) and workflow automation apps to help you achieve your goals. Get your free workflow starter pack and start hitting those accounting deadlines today!

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Firm Management

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