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investing in the right tech stack will save your business time, money, and energy.

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*By Kevin Reinard and Ross Olson.*

If you work in financial services, you know that having the right tools for the job is integral to successfully running and growing your practice.

This is especially true for firm owners, but with so many software options out there today, companies often find themselves with an ad hoc mix of services comprising their technology infrastructure. These services often do not integrate seamlessly,

which takes up extra time for everything from payroll to financial planning for

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The lone ranger is the sole-proprietor of their firm, and is a one-person band with no additional staff. Most lone rangers primarily offer tax preparation services either as their full-time job or a side gig, although some do offer other services like bookkeeping, accounting, and payroll.

Lone rangers run the gamut from new professionals aspiring to do multi-service work to established tax preparers, but we most commonly see retirees fall into this firm type. This is often your colleague who has been perennially “retiring” for the past five years but continues to work for friends, family, and long-term clients.

This usually looks like one preparer regularly handling around 200 tax returns per year, most of which are medium complexity.

### **The Nomad**

The nomad works remotely, sometimes without a central office, and often travels to meet clients in the field or at their business. They consider themselves as concierges and generally offer tax returns and bookkeeping services, making sure both client needs are in sync.

While we've seen the remote approach become more popular with lone rangers and other firm types, nomads typically utilize a team of around 2-5 staff members and three preparers to assist them either seasonally or throughout the year.

Nomads tend to handle around 450 returns of simple to medium complexity.

### **The Boutique**

The boutique firm focuses on niche clientele and is more selective of their clients, often honing in on a niche focus or industry and learning the ins and outs of that

particular business. Since they are more selective, these firms tend to utilize their

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## **The Storefront**

These are the firms that hang their “tax prep” sign out front every year and aim to make their revenue in the first three months of tax season. They are heavily focused on tax preparation and offer few other services.

The storefront has a large staff that typically scales down after tax season and ramps back up in the fall — although we've seen more with employees staffed longer to handle additional extensions the past few years. While people tend to stay for years at a boutique firm, storefronts often see tax professionals stay for a single season.

Typical storefronts may handle up to 1,500 returns of simple to medium complexity each season.

## **The Multi-Service Firm**

The multi-service firm is a large practice that does a bit of everything, from tax services to advisory accounting. They have a mix of seasonal and non-seasonal clients that vary in size, and tend to organize their staff by services provided because of this.

The multi-service firm is a combination of the various firm types, using seasonal staff like the storefront while also focusing on specific clients like boutiques. They increasingly have employees who are working remotely as well.

With a growing emphasis on advisory services, multi-service firms often handle around 900 returns each year of varying complexity.

## **Picking Your Firm Type**

As an exercise, we encourage you to identify which firm profile most closely reflects

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