

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

intelligence, and technology-based solutions, are primed for success.

Sep. 01, 2023



*By Adam Powell, CPA.*

As accounting continues to evolve from the traditional services to a model that favors value-added contributions, the number of companies offering targeted services for specific niche markets should continue to proliferate. Identified as one of the key industry trends of late, firms that offer specialized accounting services (SAS), combining analytics, business intelligence, and technology-based solutions, are primed for success.

In recent years, the industry has increasingly embraced proprietary software

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

specialization has increasingly become the norm across the majority of client product and service offerings, specialized accounting service providers can focus on targeting niche-based clientele and corner market share. The first-person case study shared in this guest article involves accounting services in the energy sector, specifically the specialized niche market of [mineral rights management](#).

When one understands a particular industry inside-out, seizing upon an idea to improve the way business is transacted can be a meaningful and rewarding opportunity. But aside from these factors, it's often a chance to develop an entrepreneurial solution. For years, the original founders of Valor successfully managed multiple oil and gas investment partnerships. Their knowledge and experience in the energy industry eventually led to a new kind of opportunity – [oversight and management of mineral rights](#) for asset holders. It's a marketplace that's most prevalent in U.S. states where considerable oil and gas reserves are located. These mineral rights holders may be individuals, institutions, oil and gas operators, family offices, foundations, trusts, nonprofits, and the assets they maintain are often factored into a wide variety of investment portfolios. Their value is evaluated on a recurring basis, which can produce royalty payments, but the optimal management of these assets requires the integration of two key disciplines – specialized accounting services *and* land management.

Because Valor's company founders were well-versed and experienced in optimizing mineral assets, they came to realize that there was a better way to manage them that hadn't yet been capitalized upon. A niche market in need of specialized accounting services began to come into focus. It was increasingly apparent that traditional accounting firms were only meeting these mineral rights-holding clients halfway. Essentially, Valor has two teams that operate with seamless integration. On one side is the dedicated land team, who handles the mapping of assets and inventory visualizations within their [mineral management platform](#), contract review,

regulatory compliance, digital document storage, and reporting analysis. On the

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

clientele, with solutions designed for the seamless integration of accounting services and strong land management features. To do so required the creation of a [cloud-based software platform](#) that simultaneously addressed both crucial needs, providing a more accurate estimate of valuation. Thanks to the recruitment of several seasoned professionals, made up of certified public accountants, revenue accountants, certified professional landmen, trust and fiduciary advisors, and the expertise provided by Valor's software development team, the company created a proprietary platform solution – [mineral.tech](#).

Today, the specialized accounting services enhanced by the mineral.tech® platform accurately addresses the specific needs of this niche market. Unlike traditional accounting platforms, the software uses a sophisticated mapping system that's capable of meeting the specific needs and requirements of mineral rights asset holders. Clients can now receive organized accounting data in various reporting modules, document storage that tracks relevant information on their assets, and features that can help optimize revenue, verify ownership, and track production.

The accounting team can provide revenue and expense accounting at the well/lease level, 1099 and property tax review and analysis, Joint interest billing (JIB) review, and [suspended and escheated funds](#) assistance. The mineral.tech® software provides organized storage of deeds, JIBs, AFE, revenue statements, and any other ownership-related documents. Storing these documents in one easily accessible place can be particularly helpful when mineral owners decide to sell their assets or pass them down to future generations. Thus, the platform became the comprehensive solution of specialized accounting services that this niche market had been waiting for.

Thanks to the specialized accounting services provided through its cloud-based platform, mineral.tech® has quickly become one of the market's leading solutions for all non-operated oil and gas assets. And it was designed so that clients can

integrate its functions with their other professional service providers and in-house

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

dedicated resources to optimize mineral assets. Just the same, they can also benefit from outsourcing this specialized line of work, as it allows them to streamline their internal resources and focus on their own core service lines.

=====

*Adam Powell, CPA, serves as the chief accounting officer for [Valor](#), a specialty asset management company whose proprietary [mineral.tech®](#) software supports specialized accounting and land services for clients in the oil and gas industry. He's responsible for the management and direction of the company's accounting, financial, and risk management departments. Adam is a member of the Texas Society of CPAs and the American Institute of CPAs. He obtained a bachelor's degree in finance from Oklahoma State University and an additional bachelor's degree in accounting from the University of Central Oklahoma.*

Accounting • Advisory • CAS

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