


**BUILDING A SUCCESSFUL NICHE
CPA PRACTICE**

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Niche Accounting Success Story

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Prior Year's Tax Info

	2006	2007
1. Salaries and wages	57,532	96,568
2. Interest income	1,587	2,265
3. Tax exempt interest income	16	2,529
4. Dividend income	3,572	6,343
5. Qualified dividend income	1,332	2,549
6. Taxable state/local refunds		
7. Alimony received		
8. Business income/loss		
9. Capital gains/loss	-3,000	-3,000
10. Other gains/losses		
11. Taxable IRA distributions		
12. Taxable pensions		
13. Rent and royalty income including farm rental	2,994	8,424

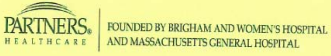
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More Tax Info

- Capital Loss Carryover of \$45k
- Royalty Income from John Hopkins

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Special Rule for Certain Royalty Income



In August 2002, the IRS released Technical Advice Memorandum (TAM 200249002) that concluded that royalty payments received by an employee in exchange for the assignment of the patent to the employer were eligible for capital gain treatment.

Please consult your tax advisor to determine whether the amounts included in box 2 of your Form 1099-MISC are eligible for capital gain treatment.

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Created a Loyal Client

"Thank you for saving me with those royalty taxes. You really built trust, and that is why when I started my practice there was nobody else I would have thought to go to for my accounting needs." – Dr. C.

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Moral of This Story

Specialists can:

- Build a deeper knowledge base applicable to niche
- Leverage KB sooner and more frequently to help clients and prospects

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Things That Make Me Go "Hmmm"

From the Arsenio Hall show where he ponders certain thoughts referring to them as:

"things that make you go hmmm...."

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Things That Make Me Go "Hmmm" - #1

- Why would a client looking for a CPA go to a generalist when for a similar value they can work with a specialist?

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Things That Make Me Go "Hmmm" - #2

- Why would a CPA be a generalist if there are enough clients and prospects to earn a good living and work more effectively by being a specialist?

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Three Ways Generalists Compete

- Price
- Service
- Technology

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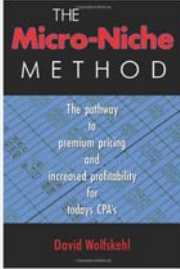
Specialists Have A Competitive Advantage

Investopedia explains...

- Competitive advantages give a company an edge over its rivals and an ability to generate greater value for the firm and its shareholders.
- A differential advantage is created when a firm's products or services differ from its competitors and are seen as better than a competitor's products by customers.

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The Micro Niche Method by David Wolfskehl



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The Micro Niche Method by David Wolfskehl

I agree with the following:

- The more focused your practice, the more it will grow

- Clients and prospects will travel further, wait longer, and pay more to work with a specialist

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How I Ended Up With a Niche Practice

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Dr. Gary's Rx for Success



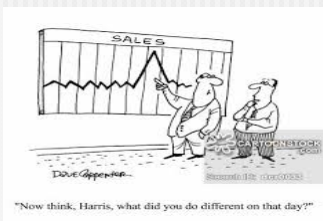
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Stephen Covey's Habit #2

Begin With The End in
Mind

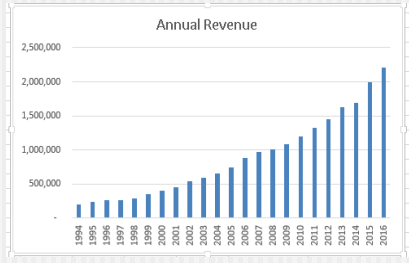
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Don't Do This



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My Firm's Revenue Chart



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My Firm's Revenue Growth


- All Organic Growth
- Exponential Growth
- Averaged 13.5% annualized growth since 1994
- No Down Year since 1994
- Low of 5%, High of 20%

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My Plan for the Remainder of Session

- Go through 10 steps of a Niche Marketing Plan
- Utilize handout to jot down ideas for your plan
- Spend last 20 minutes collaborating to create a custom niche marketing plan for a lucky CPA attendee

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**Step 1:
Commit to the Niche**

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2021-2022

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Ask Yourself

- What am I passionate about?
- Which type client do I prefer working with?
- What part of my job do I like best?
- What do I want to know better than my competitors?

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Accounting Niches

- Industry Niche
- Service Niche

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Industry Niches

Actors, artists, & athletes	Investors, traders & investment companies
Architects & interior designers	Lawyers
Auto service & gas stations	Manufacturers
Beauty salons, spas, & barbershops	Mortgage lenders, finance companies, and banks
Condo associations/Corps	Non-profit organizations
Consultants & independent contractors	Public safety: police, firefighters, and paramedics
Contractors & specialty trades	Real estate agents and brokers
Doctors - Physicians, Dentists and Other Healthcare Professionals	Real estate development & management
Farms	Restaurants, caterers & bars
Franchisees	Retail
Gyms, yoga studios & personal trainers	Teachers/professors
High tech & bio tech	Trusts & estates
Internet & online businesses	

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Service Niches

Business Valuations
College Financial Planning
Ei-Plan/IRA Tax Advice
Divorce Planning
"Fee Only" Financial Planning
Forensic Accounting
IRS Problem Resolution
QuickBooks Certified
Retirement Plans, employee benefits, and ESOPs
Seniors/Retirees
Stock Options/Restricted Stock/IRA Elections

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Firm Vision Statement

Investopedia explains...

- A Company's vision statement is its goal for the long term. It is an idealistic or aspirational planning tool, often describing lofty goals that the company is unlikely to achieve.
- A vision statement says where the company wants to go in the future.

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Famous Vision Statements


- Amazon - "To be the world's most customer-centric company."
- Ben & Jerry's - "Making the best possible ice cream, in the nicest possible way"
- Google - "To provide access to the world's information in one click."

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My Firm's Vision Statement

Schwartz & Schwartz's vision is to be a recognized leader of tax and accounting services for healthcare providers and to be the firm of choice for small dental practices within the Greater Boston area.

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Step 2: SWOT Analysis

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SWOT Analysis

- Strengths
- Weaknesses
- Opportunity
- Threats

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My Firm's Strengths

Key Strengths that support our competitive advantages and should be leveraged when pursuing our goals are:

- Our large client base of 1040 clients
- Company image
 - Healthcare niche, experience, reputation, length of time the firm has been in operation
- Firm culture
 - Work/life balance, flexible work schedule, teamwork
- High customer service levels
 - Responsiveness, accessibility to clients, client familiarity
- Marketing and communications with clients
- Providing high value of service while maintain reasonable fees

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My Firm's Weaknesses

Key Weaknesses that undermine our competitive advantages and should be addressed or they will hinder us when pursuing our goals are:

- Operational capacity
 - Staffing levels and managerial positions
- Human resources
 - Management of staff and staff development
- Operational efficiencies
 - Redundancies, especially relating to software/technology
- Experience and knowledge to provide a greater range of services
- Brand awareness within dental market

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Opportunities in the Market

Key Opportunities that exist externally to our firm that we could capitalize upon with our goals are:

- **Affiliations**
 - Opportunity to leverage partnerships for additional revenue and marketing
 - Increases expertise and provides valuable add-ons in our menu of services
- **Technology (Skype, mobile)**
 - Use changes in technology to better serve clients and improve operations
 - Increase ways to communicate and interact with clients and potential clients
- **Dental practice market**
 - Specialize by targeting segments of ownership, such as women
- **Healthcare industry**
 - Projected growth will increase potential client pool of healthcare professionals
 - Changes in how doctors are paid could bring new financial planning or advice needs
- **Competitors**
 - Their weaknesses = our strengths; Major Competitor is too big/impersonal; Turbo Tax too simplistic


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Threats in the Market

Key Threats that exist externally to our firm that could potentially devastate us (we need to be mindful of them and take actions to deter the damage of them should they occur) are:

- **Tax laws changes**
 - Could reduce the need for our services
 - Could make providing our services significantly more complicated
- **Software/technology industry changes**
 - Do-it-yourself online options could reduce the need for our services
 - Our software manufacturer could become a liability/competitive disadvantage
- **Competitors**
 - Could improve their services
 - New firms could enter segmentation and challenge our unique healthcare specialty
 - Payroll and other do-it-yourself online services
- **Healthcare industry changes**
 - Change in revenue streams/insurance payments for our client base
- **Economy**
 - Recession could lead to higher unemployment = fewer payroll clients
- **Client base changes**
 - Natural turn-over rate for nanny clients due to aging out of need for a nanny

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Step 3: Where's The Beef??

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Create Firm Tagline

Based on:

- Value Statement
- SWOT Analysis

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My Firm's Tagline



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My Firm's Lobby



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My Firm's Post-in Notes



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My Firm's Stationary



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Your Competition?

A lot of CPA firms use the same tag lines

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CPAs and Advisors

Certified Public Accountants & Advisors

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CPAs and Consultants

CPAs and Financial Consultants

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Catchy Taglines Not To Use

- You can count on us.
- Doing business with us makes cents.
- Our accounting all adds up.
- We'll keep your money on track and track your money.

shoutslogans.com/accountant-slogans

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Be Original

Try these to differentiate your firm:

- Specializing in....., Serving....., Helping
-Since 19xx,For more than xx years

Anyone have a good tagline to share?

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**Step 4:
Set Goals**

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The Harvard Study on Goals

- No Goals
- Verbal Goals
- Written Goals

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Goal Setting

- Quantifiable/measurable
- Attainable but Not Automatic

Creates accountability

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My Firm's Goals

1. GOAL: **Increase firm's revenue**

1.1. OBJECTIVE: Increase 1040 client base by 10% with an additional 200 clients by Dec. 2016

1.2. **Increase number of dental practices by 100% to 200 by Dec. 2016**

1.3. Increase Payroll clients by 100% to 140 clients by Dec. 2016

1.4. Increase Nanny clients by 75% to 120 clients by Dec. 2016

1.5. Increase revenue generated by affiliate network to \$10,000 annually by Dec. 2016


1.6. Add new service/product bi-annually (2-3 additional) by Dec. 2016

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Reward Staff

- Tie Staff Compensation & Bonuses with Goals
- Examples:
 - Dental Practice SIBS
 - My Firm

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**Step 5:
Dig Deep Within the Niche**

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Build Your Knowledge Base

- Talk to clients about their businesses
- Read Trade Journals regularly
- Learn the jargon
- Study up with your staff
- Set up searchable KB
 - Word Doc, WordPress, Electronic Filing Cabinet

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Study Clubs

Join/Create:

- Study Club with other niche focused CPAs
 - Usually national with exclusivity by metropolitan area
- Networking Group with local professionals who support your niche
 - Usually local with exclusivity by profession
- LinkedIn Groups

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Maintain the Metrics

- How do businesses in this industry track how they are doing?
- What are the relevant denominators for your specialty?
 - Per... hour, employee, customer, square foot???

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Step 6: Collect and Disseminate Niche Info

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CPA Salary Survey



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CPA Salary Survey




Unique Opportunity to Collect Info

- Clients open up their books to CPAs at least once per year
- Be prepared to gather niche focused info at that meeting

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Niche Info Sheet

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**Step 7:
Network With Other Specialists**

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Your Network Sells Your Services

Email from a dental specific lender to a prospect:

I want to get you introduced to Andrew Schwartz and his team over at Schwartz & Schwartz, PC. Schwartz & Schwartz is a highly respected CPA firm in New England serving a great number of dental clients. Their team helps set the bar for CPA's in the dental industry. They work with many of our clients, and they have an excellent knowledge of the industry. They are a fantastic resource for you.

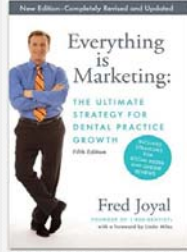
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Each Industry Is Supported by Specialists

- Specialists prefer to work with other professionals who specialize
- Bankers, Brokers, Builders, Consultants, Equipment Providers, Financial Planners, Interior Designers, IT, Lawyers, Lenders, Real Estate, Suppliers
 - *National and Local*

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Everything is Marketing by Fred Joyal



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Everything is Marketing by Fred Joyal

- Provide great service
- Communicate well (with clients and other specialists helping your client)
- Exceed expectations
- Kill 'em with Kindness

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Step 8: Spread the Word

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Don't Hire These Guys



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Trade Shows

- Attend/sponsor trade shows & Local Industry meetings
 - See your clients who attend
 - Network with other professionals
 - "Living billboard" during trade show
 - Offer "show special"
 - Try to participate in live presentations

Trade Shows are Marketing, Not Sales!!

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Other Distribution Channels

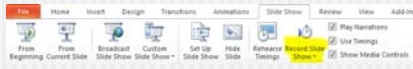
A.K.A. Shameless Self-Promotion

Create and Recycle Content

- Write articles
- Answer questions on line
- Maintain Blog
- YouTube presentation using PowerPoint

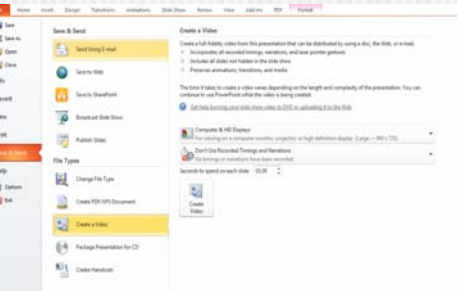
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Turn PowerPoint into a Video – Step 1



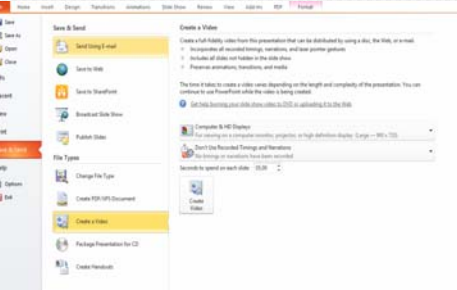
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Turn PowerPoint into a Video – Step 2




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Turn PowerPoint into a Video – Step 2



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**Step 9:
Create Efficiencies Within Your Firm**

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**The Micro Niche Method
by David Wolfskehl**

You will increase efficiency of your firm as you [and your staff] complete similar work on a regular basis.

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Create Efficiencies


- Standardization = Scalability
 - Meeting Schedule
 - Input and Deliverables
 - QB standard chart of accounts
 - Executive Summaries
 - Easier to Train Staff

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“Value Bill”

- Set up standard service packages
- Figure the value to clients (or the time you will spend) and set fees
- Give 3 options
- Bill full amount, and then discount as necessary

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Step 10: Expand Services for Niche

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Marketing 101

- Easier to sell more to current customers than to keep finding new customers

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Examples of Expanded Services

- Based on needs of clients and prospects with the niche. We added:
 - Nanny taxes
 - Payroll for 1 – 5 person companies
 - NIH LRP
 - Due Dilligence report
 - HR Services
 - Wealth Management


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Questions & Suggestions

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Let's Collaborate on a Niche Marketing Plan for a Lucky CPA in Attendance

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