

5 Criteria to Be the Right Kind of Practice in Today's Market

Today, much like in the past, being appealing to the right kind of clients and staff is vital to the continued success of an accounting practice. However, the elements that will foster your appeal and heighten it continue to change and will further evolve, as they have in the past. To be effective today and in the near term, here are 5 hot buttons to be paying attention to:

1. **Upgrade engagement profitability** – The better your margins, the more you will be able to reward yourself, your staff and distinguish your firm as a potential mate for others. Targeted rates/fees need to be set and regulated for the firm at large and for the various aspects of service – attest, tax, consulting and special services. The targets for the tax, consulting and special services need to be higher than the attest and the overall firm calibration needs to place your firm in the top 10% of firms in the market for your size firm.
2. **Manage by the production and client factor** – Each chargeable employee should be programmed to produce at a pegged level of a \$ contribution which is pegged to a multiple of their compensation, inclusive of benefits. Charge hours will be necessary to generally hit the production but they can't be the emphasis – client needs, value of service and purpose of performance must be the emphasis of operations.
3. **Diversify the talent base**- When people are stimulated, they flourish and their performance rises. Putting people to their highest and best use does not mean you need to stock up only with CPAs and fulltime ones. Many functions in a CPA firm can be handled with excellence by para professionals with strong math skills and communication comfort. Creating meaningful career tracks for accountants and CPAs who are managing family responsibilities is a huge must. Part-time people need to have real careers and not just fill in work for pay. The more you can widen your reach to the part-time world the better off your practice continuity will be.
4. **Use a goals based client performance system**- At a minimum, the top 20% of your clients should be handled based upon an annual service and achievement plan. The implementation of the plans will vary from client to client but the monitoring, enforcement and feedback methods should be consistent. Performance and achievement should include accountability for clients, centers of influence and your firm.
5. **Heighten Visibility** – Time is very precious and getting the right return on your time in whatever way you invest it is vital. Note where your model clients and desirable staff are comfortable being and make sure your visibility is targeted and strong in those areas. Electronic and digital visibility and broadcasting are essential. Turn to social media and communication experts and make them advocate for you.

The stronger your firm is and the stronger your firm appears to be the greater the reach and potential for strong appeal. Being appealing has no season but there is no better time to start than now.