

FUNCTIONS AND FEATURES THAT DRIVE A HIGHER VALUATION

VIEW THE FIRM AS A BUSINESS AND NOT A PRACTICE

- A CPA firm is a business, just like all others.
- Understand and convey to employees the compartments of a successful business
 - Sales & Marketing
 - People Development, recruiting, and HR
 - Firm Administration
 - Delivery of Services to clients

PEOPLE, MANAGEMENT & TEAM ASPECTS

- Deploy and adhere to a sound corporate governance infrastructure that has a predictable rhythm to it
- Develop and implement a personnel management process – simple is better
- Follow through on personnel management process if pre-exists
- Stretch your team and individual goals for this season
- Consider ability of next generation to assume ownership and all responsibilities of ownership
- Get your people into a coaching program that is suitable for your budget
- Communicate
- Be an involved leader, don't leave anything to chance
- Stay in your lane; delegate

RECURRING REVENUE

- Know what you have; factor into sound cashflow projections
- Know your value; increase rates; don't be afraid
- Understand whether your clients are satisfied with your services; a happy client is a referral source

MARGIN ADVANTAGE

- Ensure team is aware of a cultural commitment to improvement of margins
- Implement relevant KPIs (realization, yield per hour, others, etc.)
- Manage client expectations; exceed expectations; under promise and over deliver
- Design delivery plans that are proactive and allow best chance to delegate tasks back to client
- Respect your value as a resource; give attention only to those clients who are prepared and ready for you
- Accelerate work-flow; front load client work into first hours/days of engagement

GENERATE NEW BUSINESS SYSTEMATICALLY

- Establish a sales and marketing plan; make sure team knows firm's sales and marketing objectives
- Invest in a digital marketing strategy; simple is fine, complex may be better
- Track ROI for sales and marketing dollars spent (and hold vendors accountable)
- Conduct SWOT analysis for your clients; embed into audit/tax planning or audit/tax exit process
- Ask questions; intellectual curiosity does two things: shows clients you care AND leads to uncovering more opportunities
- Cross sell to existing clients
- Outbound referrals drive inbound referrals
- Consider extension of services
- Legal and HR matters in order
- Get your senior managers and managers under a non-solicitation agreement
- Do not renew lease if its up for renewal

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BE AWARE OF AND COUNTERACT NEGATIVE FACTORS

- Lack of processes
- Flat growth trajectory
- Outdated technology or equipment
- Do-it-all partner group
- No strategic plan
- Poor governance
- Lack of performance management process
- Lack of coachable talent
- Undeveloped leaders
- Undesirable client base (e.g. excessive 1040s practice)
- Audit and tax compliance only (trend is unique practices)
- Poor records / lack of organization
- Curb appeal / outdated website / office presentation
- Long-term lease / own real estate
- Inefficient delivery process and low margins
- Low deployment of available technology
- Seller personality / willing to “let go”
- A few large clients / high % of revenue
- Lack of employment agreements
- Waiting too long to get ducks in a row

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