

Busy Season Outlook: Tough, Competitive, and Uncertain

CPAs Apply Lessons Learned from Last Year

By Rick Telberg

[CPA Trendlines](#)

Most tax practitioners across the nation are preparing for the 2014 busy season with the confidence that it can't possibly be as bad as last year's "worst tax season ever," according to exclusive CPA Trendlines polling.

The CPA Trendlines Busy Season survey, now approaching its 11th year, canvasses the profession nationwide, providing a special preview of the topline results to those who participate in the three-minute questionnaire. [Join the survey; get the results.](#)

Key findings so far suggest many practitioners have learned many of the same lessons from last year and will be applying them aggressively this year, setting up the possibility of a particularly competitive marketplace amid an uncertain political and regulatory environment.

"We already know early that the season will be delayed," says the owner of a small firm in Gresham, Ore., who's looking forward to a better season this year. "We have the experiences learned from last season being delayed. And we are hiring another staff member. With the addition of a staff member we should see all figures

increase positively and extension numbers decrease.”

CPAs forecasting advances in revenues and profits seem to share some common strategies:

1. Raising rates
2. Cutting unprofitable, problematic clients
3. Stronger new client acquisition efforts
4. Add-on revenues from clients with increasingly complex situations.

George Prytula, III, CPA (also PFS, CGMA, CFP, LLM Tax) of Heathrow, Fla., figures more than 30 years of repeat customers and having worked out the bugs of a new tax prep application last year will give help buoy his revenues this year, plus he has two new support contracts with Intuit, and one with a Canadian firm.

In Westerville, Ohio, CPA Murray Mika figures, “Businesses as a whole are in a better financial position than last year. During the recession our clients cut back on using our services. Now that our clients’ financial position has improved, they are using more of our services.”

If there are themes among the new strategies from lessons learned last year, they fall into a few general categories:

1. Client management – Manage expectations. Get them in earlier. Foster use of portals and electronic communication.
2. Business development – More marketing, for less spend. Bigger reliance on the Internet and social media.
3. Technology – Leveraging the cloud, paperless and integrated systems to smooth workflows gain efficiencies and reduce turnaround times.
4. Staffing – Staff up early. Invest in training.

In the face of the uncertain economy, CPA Raymond G. Klinc in

Solon, Ohio, has “cut some marginal clients and replaced them with higher quality clients.” He’s been working to make the firm more competitive for the last 12 months by “working harder, stressing productivity, and stressing service. If you are just starting to change now you are too late.”

Others are rushing to embrace new technologies, adjust prices (either up or down, or both), onboard new staffers faster, and intensify new business development efforts.

In Lynnwood, Wash., a local CPA firm has “implemented new workflow and return-tracking processes that should make delegation easier so we can work more efficiently.” At the same time, “We saw great results from our marketing strategy, which started to kick in at the end of the season last year. I expect greater growth, and I expect that we’re better prepared to handle it.” In addition, “I think the Affordable Care Act will impact many of our clients negatively, but it will increase our retention rate because taxes aren’t getting any easier.”

In Salem, Ohio, Roger Hack, name partner at the mid-sized Hack Steer & Co., is also hopeful for “no fiscal cliff disaster this year.” In addition, “clients are in better financial shape, in general. However, many are still struggling.” But since last year, the firm has achieved “more efficiencies in our office” and put “more staff in place.”

The CEO at a relatively large CPA firm based in Modesto, Calif., is hopeful, as well, that there will be “no last-minute tax changes.” Of course, he’s still concerned by late or unprepared clients, intensifying competition, and yet-to-be-finished upgrades to the firm’s operations.

And ObamaCare is proving to be a double-edged sword, with many accountants worrying that the sheer uncertainties will depress business activity, while reaping new fees from helping clients sort it

all out.

Rick Telberg is president and CEO of CPA Trendlines Research, at cpatrendlines.com, delivering actionable business intelligence to tax, accounting and financial professionals to aid in their practices and careers. To join the three-minute survey mentioned in this article and get a special preview of the results, go to:

<https://www.research.net/s/your-CPA-society>