

Virtual Roundtable
Profitability: How CPA Firms Can Improve Profits
Moderated by Ira S. Rosenbloom

Overview

When CPAs counsel their clients, they will often stress that an important driver of value is profitability, and the greater the profit, the higher the value. When revenues were escalating at CPA firms, profitability was not a major point of concentration, but the current economic conditions warrant a change of perspective. Today, many CPA firms are “ultra-profitability” oriented, and not just because they want to reap the benefits of their success, but because they are increasingly mindful of achieving the best value for their firm when they retire, sell, or merge.

As a result, it is important to strive for the best return on investment for your time, in order to maximize the value of your practice, and, at the same time, maintain a healthy work/life balance. Each Virtual Roundtable session will focus on proven methods and techniques that can enhance the business performance and profitability of your firm.

Who Should Participate?

CPA Firm Partners/Owners, along with current and future leaders, should participate in this six-session discussion group. Ideal for firms with total staff of 5–50.

Benefits of Participating:

Participants will discover proven methods to bolster their profitability, enhance their success in the marketplace, heighten the value of their practice, expand efficiencies, and improve their quality of life.

FREE Series Overview: The Ten Commandments for Entrepreneurial Excellence

Entrepreneurial excellence is largely a function of prioritization, accountability, technical expertise, and communication prowess. Pragmatic methods for outstanding business performance in each of these categories will be addressed in this introductory session.

Agenda:

- Using the power of your technical expertise
- Goals and accountability
- Firm-wide communications
- “Real-Time” metrics
- Being a visionary

Session #1: Minding Your Metrics

Every business has Key Performance Indicators, and accounting firms are no different. Traditional metrics (billings, collections, realization, and utilization) are valuable components and should be part of a control panel that is easily available, at a minimum to the leadership of the firm, and, at best, to all players. Working with the right metrics in mind, both traditional and non-traditional, will upgrade your business achievements.

Agenda:

- Identifying and understanding the appropriate Key Performance Indicators (KPI) for the size of your practice
- Going beyond the basics, and examining potential, actualized rates, competitive targets, and engagement variance
- Setting the benchmark that you need to meet and the targets you should be achieving
- Implementing financial transparency and career-based standards

Session #2: Client Accountability – Myth and Reality

Using a client accountability system is imperative for qualifying achievement, turn around, deliverables, engagement expansion, budgetary control, and timelines. When applied consistently, client accountability will create greater control over the consequences of poor compliance, and greater appreciation for the value of the service provider, which will ultimately optimize profitability.

Agenda:

- Mutual performance expectations
- Strategic attention exercises
- Timelines
- Structured client communications and unified response

Session #3: The “Ideal” and “Model” Client

Evaluate your client list and determine your “ideal” and “model” client for your practice. Each firm brings unique skills and preferences for client service, and, as a result, the definition of these clients will vary from one firm to another. Once you identify your ideal and model client, you will be in the best position to gear up your organization with the staff and technology to service and support that clientele.

Agenda:

- Defining these terms for your practice and market
- Retention
- Recruiting
- Publicizing and glorifying

Session #4: Win/Win Compensation Systems

Utilizing an incentive compensation program that incorporates both team and individual-based performance rewards is a powerful tool, and serves to encourage and motivate staff at all levels, to meet and exceed the performance goals of the firm.

Agenda:

- Standards of performance
- Computing bonus structure
- Bandwidths for levels of compensation and total compensation

Session #5: Marketing and Business Development – Setting the Bar and Getting Results

Marketing and business development should be a consistent priority. Getting the best return on investment for your time and capital is imperative. Tactical and strategic effectiveness are essential requirements for firm owners, and all members of the business development team, in order to enhance profitability.

Agenda:

- Implementing a “Top 10” program
- Customizing an action plan and evaluating results
- Establishing and communicating expectations to Marketing and Business Development professionals
- Motivating and monitoring your team
- Pipeline and feedback

Session #6: Profitability and Mergers

Successful mergers should produce economies of scale and synergistic profit enhancement. Blending practices and transitioning profit levels and compensation systems are necessary to ensure that the profit engine is performing at its best. Evaluating potential, engineering stages for profitability optimization, and gaging achievement are the fundamentals for successful deals.

Agenda:

- Upside and downside potential
- Strategic compatibility factors
- Timelines and expectations
- Client and staff transition