

CASE STUDY: UPGRADING A PRACTICE

Situation

Mr. Thomas, a CPA in Kansas City, KS, had a strong small-business practice and provided his clients with tax returns and financial statements. Some of his clients received monthly financials, some quarterly, and some only at year-end. Mr. Thomas felt that he was working long hours for too many clients and was experiencing fee pressure on each service he provided. Each service was being treated as a commodity by his clients—he thought they would not pay any more money for his services.

Action

In an effort to smooth his yearly revenue and work stream as well as increase his overall professional satisfaction, Mr. Thomas took the following steps to position himself as a business advisor (and not a provider of commodity services):

1. He moved most of his clients from hourly billing to a monthly retainer,
2. He bundled his services for this monthly retainer in several packages, such as:
 - The Basic Package, which included a business tax return, a tax return for the business owner, and business financial statements.
 - The Advisor Package, which included the services provided in the Basic Package, plus a written assessment of the client's financial condition (ProfitCents report). In addition, he provided the business owner with advice when there was an important financial decision to be made, as well as effective tax strategies.

Result

Mr. Thomas was able to generate significantly more revenue (and value) per client and successfully upgraded the preferred clients to the Advisor Package. These clients had a greater respect for Mr. Thomas and began to view him as their off-site controller/CFO. Due to attrition and by attracting higher-value clients, he was able to make more money, be viewed as a trusted business advisor, and experienced increased job satisfaction.