

**DO YOU WANT TO**  
**GROW**  
**YOUR ACCOUNTING PRACTICE?**



**IN THIS EDITION**

- How To Make 2014 Your Best Year Ever
- GST – The Accountants Fractured Fairytale
- Video Killed The Radio Star (But not the Accountant)
- The Accountants Top Gear Seminar
- 7 Reasons Why Buyers Won't Buy Your Practice
- Small Fish Are Sweet For Accountants
- Wanted – The New Breed of CPA's
- Plus lots more...

# Welcome

Welcome to the latest edition of The General Journal, the newsletter produced exclusively for the Australian accounting profession.

You'll find the content covers a broad range of issues that impact on accountants in public practice including marketing, websites, client newsletters and videos. There's some interesting reading for anyone looking to sell their practice including tips on how to prepare for that major event. Other articles introduce some new tools available to the profession and there is a section on our very successful mentoring group, The Accountants Accelerator Group.

The number one issue for most accounting firms is now growth. The issue is global and larger accounting firms are not immune as they are often characterised by an ageing client base and a 'billboard' type of website. Accordingly, this edition of The General Journal is headlined by an article that provides some tips to help make 2014 your best year ever.

If you want to 'turbo charge' your growth in 2014 we have included details of our seminar – The Accountant's Top Gear Seminar which is being held on Monday April 7. Seating is strictly limited at the cinema complex and these events sell out every year so don't procrastinate. Book now at [www.trybooking.com/EGMZ](http://www.trybooking.com/EGMZ).

I hope you enjoy this edition and feel free to forward it to your partners, staff and associates. They can subscribe to future editions of The General Journal from our home page at [www.pjcammm.com.au](http://www.pjcammm.com.au)

Finally, if you're looking for some marketing advice or want to discuss the next intake for the Accountants Accelerator Group, please contact us today.

Kind regards,

*Pat Camm*

Managing Director

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# How to Make 2014 Your Best Year Ever



With 2013 now behind us, it's the perfect time to reflect on your achievements and results over the past twelve months. Think about what worked in 2013, what didn't work and what needs working on.

To make 2014 your best year ever, we have put together a hit list of five potential areas to target that can make a big difference to your growth and profitability in 2014.

**1 Your Website** clearly a lot of accountants still don't believe in the pulling power of websites. In fact, less than a third of accounting firms in this country have a website and the majority of those sites are just electronic 'billboards'. These sites just list the 'who, what and where' of the firm and are often bought 'off the shelf'. They are templates full of duplicate content that Google hates. Generally they have no focus on niche markets, rarely contain a blog, video or a lead magnet such as an e-book or white paper. The staff profiles are limited to a paragraph and they contain no CRM system to help distribute the firm's newsletter.

Unfortunately, these firms have a Field of Dreams mentality - 'build it and they will come'. However, that concept only works in Hollywood. To attract traffic to your website you need some key ingredients like keyword rich content, back links and features like a blog and videos. Ironically, because their billboard site isn't generating leads they refuse to invest more money in the site so it goes stale and ultimately it becomes almost invisible to the search engines. By contrast, other firms have spent a fortune developing their failing website and cling to the shell because they want to justify the cost. Websites are an investment not a cost and you need to measure your return on investment. If it isn't working it's time to fix it or replace it. Don't be fooled, technological change means what cost \$10,000 to build five years ago can now be built for \$500 in five hours.

## Websites Can Be Lead Magnets

Several websites we have built for members of our Accountants Accelerator Group have generated more than \$150k of new business in 2013 and they will continue to deliver results for some time to come. Building a website is a real process that requires planning and it starts by identifying your ideal type of client and creating quality content that resonates with that market. For most firms this means a focus on your niche industries (builders or medico's etc.) and services like self-managed super funds. Because the website is primarily designed to attract new business you need to use the right bait and tackle. If you're not clear on who you are 'fishing' for then you end up prioritising the wrong things. You need to think about the user experience and be clear about what you want visitors to do on each page of your site.

As you'll read below, video must be incorporated into the site and in 2014 you also need to optimise your website for mobile devices. In the past 18 months website designers have changed their thinking to 'mobile-first' which means they design the website for mobile devices like smart phones and tablets first then consider desktops last. A responsive website adapts to the size of the viewing screen and can display differently on each device.

**2 Video** is no longer an optional marketing extra for accountants, it is a must have. YouTube is now the second largest search engine behind Google and forecasts suggest that 57% of consumer internet traffic will come from video

by 2015. Not only that, 78% of people watch video online at least once a week, 55% watch video online every day and 500 years worth of content is uploaded to YouTube every day.

Research indicates that on average, page one of a Google search gets 91.5% of all traffic while page two manages less than 5% and page three just over 1% of traffic. The real 'kicker' is the fact that you're 53 times more likely to get a page one listing on Google with video content on your website. Clearly, video is now an essential part of an accountant's marketing arsenal and as a consequence we now offer a video service for accountants.

**3 Create a Blog** to connect and share information with your clients and prospects. Your blog fuels your SEO but the content must be original and relevant. Fresh content that answers your clients' questions will activate the search engines and accountants that blog are proven to attract more website traffic.

Your blog is your content marketing hub and can be shared on social media channels including Facebook, Twitter and LinkedIn. It can be reproduced in newsletters and positions you as an expert or thought leader in an industry or subject matter. It provides a forum to talk about new services or software products and encourages interaction, comments and feedback. It can also create some free PR as business bloggers are often interviewed by journalists because they are perceived to be industry experts.

In 2014 get started on your blog and ideally try to post every few weeks with interesting content that draws in your target market.

**4 Client Newsletter and Email Marketing**

- Every accounting firm needs a regular client newsletter and if you don't have one, your clients are missing out. More importantly, you are ignoring an important marketing opportunity because your newsletter can cross-sell and up-sell your range of services and help build new client relationships. They let you engage with your niche markets and provide the ideal forum to 'ask' for referrals.

While most firms tend to focus on acquisition of new clients many ignore the need to stop the leakage of existing clients. They roll out the red carpet for new clients but take existing clients for granted. Your newsletter is a key client retention tool. When surveyed, clients often mention they changed accountants because of price, slow turnaround times or a failure to return phone calls and emails. However, a lack of communication and failing to stay in touch is high on the departure list. Make no mistake, your newsletter can build loyalty and while it won't directly lead to an engagement or 'sale', it can pave the way. It keeps your brand in front of clients and referral sources plus can be used to introduce your firm to new prospects.

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# How to Make 2014 Your Best Year Ever

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## Not All Newsletters Deliver Results

It's important to understand that not all newsletters work. Most accountants are too busy to write their own newsletter so they tend to fall into the trap of subscribing to what I describe as a 'tax newsletter service'. Let us ask you this, if you got a newsletter from a solicitor full of legislative changes would you read it? Probably not ... so why send your clients a newsletter full of tax updates and case law? Clients want you to be pro-active with strategies and tools to help them grow their business and their wealth, they don't want to do a Masters of Taxation by correspondence. These newsletters won't win you referrals because the content doesn't add value to ninety nine percent of your client base. On the other hand, a newsletter full of information about how you can help clients with their marketing, website, SEO and social media campaigns will resonate. If you are looking to attract Gen X and Y clients who want to work smarter not harder then discussing business automation software, the latest apps and cloud based solutions will set you apart from the pack.

The 'On the Money' quarterly newsletter we produce for accountants only includes snippets of tax related content. The focus is business growth strategies including regular sections on starting a business and wealth creation topics like negative gearing and self-managed superannuation. They come branded with your firm logo and it passively asks for referrals in each edition.

Of course, subscribing to such a newsletter service takes the production pressure off but you also need to address the issue of distribution to your client base. You need to circulate your newsletter to as many clients, prospects and referral sources as possible and email is the cheapest option. Again, if you are targeting the younger generations they don't want a hard copy and much prefer to read it online on their smart phone or tablet. Email distribution is easy using programs like MailChimp that lets you import your client's details and then distribute your newsletter at the click of a button.

The newsletter content can be embedded on your website so every time a client clicks on the 'read more' button at the end of a one paragraph teaser they will land on your website which helps your SEO. Even better, the websites we build for clients include a full email marketing engine at the back end.

**5 Client Seminars** are traditionally the domain of successful, pro-active firms. They are an effective way to attract new clients and they also let you introduce new services to clients beyond compliance. These services can often generate additional revenue streams in the practice and negative gearing and Self-Managed Super Fund seminars are classic examples.

Running seminars helps to build your brand, position you as an expert, introduce the firm to the next generation and attract referrals. Incredibly, we estimate that less than 5% of Victorian accountants host client seminars. The reasons range from fear of public speaking through to lack of resources and time. There are groups like Systemised Seminars ([www.system.com.au](http://www.system.com.au)) that specialise in helping accountants run client seminars and they provide a turn key solution including the speaker, equipment, PowerPoint slides, client hand out and all the marketing materials.

Kevin Bolt who runs the business tells us, "the most popular topics are tax effective strategies like negative gearing and self-managed superannuation because accountants are comfortable with the tax related content and the wealth creation edge". In 2014 seminars should be back on your marketing agenda.

If you'd like to make 2014 your best year ever call us to discuss your marketing plans.

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## Video Killed the Radio Star (but not the Accountant)

If you're a music trivia buff I'm sure you're familiar with the song, 'Video Killed The Radio Star'. This catchy (but annoying) tune was a massive hit for The Buggles in 1979 and 35 years later some of the lyrics provide a valuable message for every accounting firm in Australia.

Let me explain...

Video is now a critical part of the marketing landscape and YouTube is now the second biggest search engine behind Google. According to Cisco, by 2017 two-thirds of the world's mobile data traffic will be driven by video. The statistics around video are compelling including:

- 78% of people watch video online at least once a week
- 55% watch video online every day
- 57% of consumer internet traffic will come from video by 2015
- 500 years worth of content is uploaded to YouTube every day
- 700 YouTube videos are shared on Twitter every minute

I recently blogged about the importance of being on the first page of a Google search because research indicates that on average, page one gets 91.5% of all traffic while page two manages less than 5% and page three just over 1% of traffic. The real 'kicker' is the fact that you're 53 times more likely to get a page one listing on Google with video content on your website. Clearly, video is now an essential part of an accountant's marketing arsenal.

We recently recorded a series of videos for members of our Accountants Accelerator Group and are in the process of posting them on their websites. The videos are brief, generally ninety seconds to two minutes long and they have been corporatised to include an intro and out-tro. If you're looking to rejuvenate your ageing client base with Gen X and Y clients then it's time to get with the video program.

To help accountants, we now offer a video production and editing service that includes the scripts, recording and editing. The search engines crave this content and if you ignore this shift in consumer behaviour then the Buggles lyrics might come back to haunt you including the line, "Pictures came and broke your heart".



# GST... The Accountants Fractured Fairy Tale?

How is it that some accounting firms are growing at phenomenal rates in 2014 and others are flat lining or in decline? To answer this question we need to rewind the clock back to the introduction of GST.

Cast your mind back to the year 2000. The Government gifted every business owner a \$200 voucher to help them cope with the changeover to a new GST tax system. The voucher could be redeemed for computer hardware, software or training but it was really just a token gesture to soften the GST blow on business owners.

## The 'Gift' Of GST

It was a turbulent time and thinking back, not many businesses benefited from the introduction of GST apart from the hardware and software vendors. Having said that, accountants were major beneficiaries. It seemed like a fairy tale because almost overnight fees jumped by thirty percent. If we use the 'dollar for dollar' valuation method this also meant the value of most small accounting firms also jumped up by thirty percent. Profits also spiked as business owners lent heavily on their accountant during the GST transitional phase. Accountants in public practice were booming and they cemented their role as 'trusted business advisor'.

Several years later, GST was seen as 'the gift that just kept giving' for accounting firms. Quarterly BAS's proved a much bigger challenge for business owners than first expected and most firms were busy dealing with the GST compliance explosion and the client shift from manual records to accounting software. A few years later, this fairy tale has fractured. The laser like focus on compliance has reduced many firms to nothing more than 'compliance sweatshops' and while they are busy, this hasn't necessarily translated into profits. If you just offer compliance services to your clients you won't attract your ideal type of client and growth will always be an issue. Outsourcing has somewhat commoditised compliance work and profit margins are being squeezed even tighter so you need to get marketing back on your agenda and soon!

Fast forward to 2014 and the fairy tale is fast becoming a nightmare for many baby boomer practitioners. GST disguised the need for marketing. The focus for a decade or more was to get the work out the door and we ignored the ageing client base issue. A lot of accountants still think that if they simply do a good job their clients will refer new business but a client base loaded with fifty to sixty-five year olds don't refer like a client base full of twenty to forty year olds. Traditional marketing methods like Yellow Pages, local paper, TV and radio are in decline and in the digital age word of mouth is spread on social media channels including Facebook and You Tube.

In the digital age if you produce great targeted content, clients will come to you ... Produce great service and your clients will share your story and refer new clients. Too many accountants are living in the past and are on the designer drug called 'hopeium'. They just assume and hope clients will refer like they did in the past. The new formula for success demands you create remarkable content, optimise that content for the search engines, publish the content, market the content through the blogosphere and social media channels and measure what is working and what is not working. Your website is your marketing hub and you need to be found online or else!

## Bigger is Better?

Don't be fooled, it's not only small firms and burnt out sole practitioners that are spinning on their wheels going nowhere. A lot of large firms took their eye off the marketing 'wheel' and now find they are in exactly the same position. In fact, they are looking to buy fees to retain their 'young guns' and offer partnership opportunities.

Only a small percentage of firms are really active on social media channels and less than half of the accounting firms in this country have a website. Of those that have a website, ninety percent of them just list the 'who, what and where' of the firm. They are billboards not marketing magnets. They certainly don't contain remarkable content and while these sites might be 'pretty' to look at, they won't draw a crowd of visitors or new business. The content is shallow and often duplicated but most importantly, it provides no value to their target market.

The big firms are also guilty of sending out newsletters full of the latest tax changes and case law to their clients but here's a wake up call - clients don't want to do a Masters of Taxation by correspondence, they want to grow their business, their profits and their wealth. Your newsletters should be full of business growth strategies, marketing tips and the latest apps for business and wealth creation tips like SMSF's and negative gearing

Larger firms are generally full of baby boomer principals looking to retire in the next few years but if the firm is characterised by an ageing client base look out. Their older clients are selling, retiring and dying and they don't have a marketing process or marketing plan in place that is filling their 'pipeline' with new prospects. Buyers will gravitate away from these firms and Gen Y (twenty to thirty-seven year olds) are already shying away from taking equity in firms of this type because they don't want to invest in a 'sinking ship.'

Here's a bit of homework for you ... write down a list of your top 20 fee paying clients in order. In the next column write the age of the business owner. You just might find that 70 percent or more of your top clients are aged over 55. If they retire, sell or pass in the next five years what will that do to the value of your practice, the saleability and the profitability? You need a marketing strategy that constantly feeds prospects into your practice and 'hopeium' doesn't work.

## Don't Buy Your Way Out of Trouble

For many practitioners the 'quick fix' is to buy a parcel of fees but that isn't easy as we have more than 200 registered buyers and only a handful of vendors in Victoria. Ironically, most of the vendors have the characteristics we described above so the 'top up' strategy is flawed with firms buying more of the same - 'old' fee sensitive clients who are slow payers. They might be buying clients slightly younger than their existing client database but you don't have to be Nostradamus to forecast what lies ahead. Don't be mistaken, the purchase option can be an effective strategy in some circumstances but it won't fix the long term issue. You need to have marketing back on your agenda.

If your marketing and referral engines have stalled we invite you to attend The Accountants Top Gear Seminar on April 7. If you have an ageing client base or your fees and profits are flat lining then you can't afford to miss this morning seminar. Some firms are absolutely booming and we'll lift the lid on their marketing success and reveal the breakthrough marketing strategies that have given them a serious competitive edge. You'll see the tools and the techniques that the fastest growing firms in this country are using to generate more leads, referrals and website traffic. You can read more about the seminar in this edition of The General Journal and it doesn't matter if you're a sole practitioner or four partner firm, these strategies work. You'll get to see the components of their marketing 'engine' and look under the bonnet of a suburban accountant's website that is generating more than \$100k of new business each and every year. You'll get to see the workings of a 'marketing machine' that is firing on all cylinders.

Until next time... keep marketing.

## How to Turbo Charge Your Growth and Profits

Many accounting firms in this country are spinning on their wheels and going nowhere. They just can't seem to get any traction with their ideal type of client and their referral engines have stalled. They have an ageing client base and their fees and profits are flat lining or in decline.

By contrast, other firms are booming.

At **The Accountants Top Gear Seminar** we'll lift the lid on their marketing success and reveal the breakthrough marketing strategies that have given them a serious competitive edge. You'll see the tools and the techniques that the fastest growing firms in this country are using to generate more leads, referrals and website traffic.

It doesn't matter if you're a sole practitioner or a four partner firm, these strategies work. You'll get to look under the bonnet of a suburban accountant's website that is generating more than \$100k of new business each and every year. You'll see the workings of an accountant's 'marketing machine' that is firing on all cylinders.

## Transform your Website

If your website is not delivering new clients you can't afford to miss this half day seminar. Prospects now pass judgement on you and your practice in a nano-second and a static website or a stale brand could be costing you potential new clients. Your website should be a lead magnet that generates new business not just a 'billboard' that lists the 'who, what and where' of the firm. At this seminar you'll get a 'website masterclass' and learn the online secrets of incredibly successful firms. You'll walk away with a blueprint to transform your website into a marketing magnet.

We'll equip you with the knowledge to build a brand that resonates with 25 to 45 year old business owners. If you don't know how to attract your ideal type of client, have no niche markets or structured marketing plan register now at <http://www.trybooking.com/EGMZ>

Most importantly, this event is not a lecture full of marketing theory and hype. Just practical strategies supported by technology and custom built tools that you can apply in your firm. You won't just get told what you "should do" because we will also show you "how to do it" with some real live client examples. You'll get online demonstrations and screenshots of websites, tools and software programs.

## Why You Need to Attend

The rate of change in the profession is accelerating and traditional marketing methods like print media, radio and Yellow Pages are in decline. With an ageing client base, referrals are harder to get and 'word of mouth' is now broadcast through social media channels like Facebook and Twitter.

Baby boomer principals are expected to sell up in the next few years but buyers will gravitate away from firms characterised by slow growth rates, declining profitability and 'old' client bases. With the explosion of outsourcing, compliance work has been commoditised and it's no longer the 'super glue' that binds you and your clients together.

The next generation of business owners want strategies to grow their business, their profits and their wealth. They want a pro-active accountant who is in tune with technology and who understands their industry. They want regular communication and have totally different needs to their predecessors. You need to embrace these changes and the technology because they live online on mobile devices and their favourite channels are YouTube and Facebook.

**If Your Practice has Stalled or Worse, Is In Reverse, You Can't Afford to Miss this Event on April 7, 2014.**

Spend a morning working ON your practice and shift your marketing into 'TOP GEAR'. You'll walk away with a clear marketing action plan and seven new ways you can generate more revenue in your practice.

Don't procrastinate because seating at the Chadstone cinema complex is strictly limited to 150 people. Prior year seminars have been complete sell outs and once the last seat is sold via the online system, registrations will close. To register go to:

<http://www.trybooking.com/EGMZ>



## At the Accountant's TOP GEAR SEMINAR you'll discover:

- The #1 Way to Fast Track your Growth in 2014 and Beyond
- The 12 Key Marketing Strategies of the Fastest Growing Accounting Firms
- How to Turn your Website into a Marketing Magnet
- The 7 Hottest Tools every Accountant Needs to be using in 2014
- Build a Brand that Resonates with your Target Market including Gen X & Y
- The Secret to Opening the Referral Floodgates in your Firm
- How to Attract your Ideal Type of Client and Unlock the Financial Potential in Your Firm
- Strategies and Tactics to Rejuvenate an Ageing Client Base
- How to Bridge the Gap from Compliance to Consultant to Boost Your Bottom Line & Practice Value
- Why Video must be part of your Marketing Plans and Loads More..

"Our website has produced spectacular results in the last two years. In 2013 the website generated more than \$150k of new business and we are already on track for a similar result in 2014. I have no doubt that it has also helped us to convert a number of leads and referrals into clients.

Apart from being a lead magnet, the website serves as our marketing hub. The back end of the site is used to manage our email marketing campaigns and distribute our client newsletters. The analytics are cutting edge and it has given us a serious competitive edge".

**Paul Dobson – Principal**  
SBG Accountants & Business Advisors



## The Changing Landscape of the Accounting Profession

The rate of change in the accounting profession is accelerating courtesy of the technology revolution and the cloud. At the same time, the landscape is changing with the likely retirement of a large number of baby boomers over the next few years.

Many firms view outsourcing as the cure for their capacity and staffing issues because it promises to deliver faster turnaround times, cost savings and fully interactive work papers. While the jury might be out on outsourcing, the commoditisation of compliance is real and competing on price for 'bread and butter' compliance work is marketing madness. You end up attracting nothing but 'bottom feeders' who further erode your profit margins.

The retirement of a large number of baby boomer practitioners will be a massive 'brain drain' on the profession. At the same time it will pave the way for the next generation of leaders and this shift in leadership will test client loyalty. Many long standing clients will take the opportunity to break away from their 'old' accountant and their 'compliance sweatshops'. A large number of clients will also sell their businesses (or pass them down to the next generation) so we expect considerable migration of clients between accountants. This is already happening and it poses yet another threat for firms resisting change. This presents a golden opportunity for smart firms who already have their marketing engines running smoothly.

## Are you Green and Growing?

In the accounting profession, you are either green and growing or ripe and rotting. In the digital age, you can't afford to keep doing things the same way and as accountants you need to embrace change and technology. At this seminar we will update you on all things digital including the internet and Google, social media, search engine optimisation, digital publishing, video and mobile technology. If your growth has stalled, here's your chance to kick start your marketing engine. Simply go to <http://www.trybooking.com/EGMZ> to register.

At this event you'll get a big 'bang for your buck' with loads of lead generation strategies supported by conversion techniques and must see smart tools designed to systemise your marketing and regenerate your ageing client base. As a bonus you'll receive a USB full of practical tools, templates and checklists worth hundreds of dollars.

## Looking to Buy Fees?

If you're one of the hundreds of firms looking to buy fees as part of your growth strategy you must attend this seminar. At around 'dollar for dollar', buying fees can be an expensive exercise. Be careful, you could be buying more of the same, an 'old' fee sensitive client base who provide poor quality records and are slow payers. Buying fees often masks the real problem, the firm lacks a 'rainmaker' and a marketing plan.

At this seminar we will show you how to generate new fees from the web and get your existing clients to spend more with you. The cost is a fraction of the acquisition option and you will hear how firms are generating passive income streams. This is no 'sun tan' seminar where the ideas last a few days then fade. These proven strategies will keep generating new business for years to come.

A word of warning, don't waste your time and money if you are looking for a 'marketing silver bullet' or have a track record of failing to implement. This event is strictly for committed, pro-active and ambitious accountants looking to grow their firm and attract quality SME clients.

If you're chronically busy producing mediocre results we invite you to spend a morning with one of the country's leading practice management consultants. The Accountant's TOP GEAR seminar on April 7 is totally different to any other seminar you've ever attended. If you want to unlock the growth potential in your practice register today at:

<http://www.trybooking.com/EGMZ>



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## DATE & TIME

**Monday 7th April 2014**

9.00am – 12.30pm (3.5 Hours CPD)

## VENUE

**Hoyts Chadstone – Cinema 8**

Chadstone Shopping Centre  
1341 Dandenong Road  
Chadstone VIC 3148

## FEE

The fee for each attendee is \$385.

## CANCELLATION POLICY

If you cancel before March 24 2014, a cancellation fee of \$55 applies. After March 24 2014, tickets are strictly non-refundable but are transferable should you decide to send a replacement person from your firm.

## PRIVACY CLAUSE

P.J. Camm & Associates Pty Ltd (ABN 70 006 977 484) are in the intellectual property, information product and education business. Accordingly, audio and video recording devices are strictly prohibited at the seminar.

## ABOUT YOUR PRESENTER



After starting his career in the Tax Division of a 'Big 6' accounting firm (Arthur Andersen & Co), Pat spent 13 years as a sole practitioner in the South Eastern

suburbs of Melbourne.

He is uniquely connected to the profession as a sought after practice mentor and marketing consultant, practice broker and public speaker. Over the years he has addressed thousands of accountants on a range of practice management and marketing topics at various seminars and conferences across the country.

He has built a network of more than 2500 accounting firms across the country and he understands the issues that confront small to medium sized firms. Pat is constantly monitoring emerging trends in the profession and develops innovative solutions, unique marketing strategies and software tools to help accountants improve their efficiency, profitability and practice value.

Pat's approach is very practical and he is passionate about marketing for accountants. He has authored several best selling books on negative gearing and starting a business in Australia plus published 'The Accountant's Marketing Toolkit' in 2010.

# Breaking News for Accountants

When surveyed, clients often suggest one of the main reasons they change accountants is a lack of communication. Some clients might mention price, slow turnaround times or a failure to return phone calls and emails but failing to stay in touch is always high on the departure list.

Of course, one of the best ways to remain top of mind with your clients is to send a regular client newsletter. Your newsletter also helps you keep in touch with referral sources and can be the tool you use to introduce your firm to a prospective client. Every accounting firm needs a regular client newsletter and if you don't have one, you are missing an important marketing opportunity. A well crafted newsletter lets you alert clients to your full range of accounting, tax, financial and consulting services. It builds loyalty and while your newsletter won't directly lead to an engagement or 'sale', they often pave the way.

Ideally you should produce a newsletter at least four times a year and while most accountants could write and publish their own newsletter, it can be time consuming. You sacrifice valuable billable time and have to decide on topics, complete the research and then write the articles. You then need to format the final newsletter. This process can stretch your firm's resources and stall production and distribution.

Not surprisingly, many firms subscribe to a tax newsletter service like 'Client Alert' (\$1260 per annum) or 'Tax Matters' (\$780 per annum). The truth is, most 'off the shelf' newsletter services are full of tax law, cases and rulings which are of little interest to your average client. Most clients aren't interested in enrolling in a Masters of Taxation and the open rates can be relatively low. Clients really want to know how to grow their business and their profits and these newsletters generally don't satisfy their needs.

The challenge is to circulate your newsletter to as many clients, prospects and referral sources as possible. You should deliver it on time, every time because your newsletter can assist with client retention, cross-sell and up-sell your services plus help build new client relationships. They let you engage with your niche markets and provide the ideal forum to 'ask' for referrals.

We produce a quarterly client newsletter exclusively for Australian Accountants called, 'On the Money'. It comes customised with your firm name and logo and it is totally different to the tax newsletters mentioned above. The content is designed to educate your clients about money, marketing, finance, tax planning opportunities and business growth strategies. The formula is to sell 'the why and the what' but not the 'how to' in your newsletter as you want clients to contact you for more tailored advice. It alerts clients to your expertise beyond compliance and strategically sells appointments because client curiosity often leads to a sale.

## BREAKING NEWS

**Each edition of On The Money passively asks for referrals and the newsletter is available in a format that allows you to:**

1. *Email the newsletter to your client base*
2. *Print the newsletter and mail it to your clients*
3. *Post the newsletter on your firm website*

Despite the popularity of e-mail, clients still prefer printed newsletters. Surveys indicate that 33% of respondents prefer print, 21% favour email and 41% want to receive your newsletter in both formats. Printed newsletters have a longer shelf life and their physical presence can make a stronger, more lasting impression on the reader. On the flip side, electronic newsletters cost less to produce and are easier to distribute provided you have an up to date list of email addresses. Clients and prospects can then share your newsletter with their friends and business colleagues.

Your website should let visitors and prospects subscribe to your newsletter and build a database for future marketing campaigns. Your client newsletters, including archived editions, should also be available for download from your website.

On The Money is emailed to you in the first week of March, June, September and December each year. Visit <http://www.pjcam.com.au/our-products/on-the-money-client-newsletter/> to download a sample or subscribe. We will then contact you to obtain your logo in a suitable format and discuss your preferred newsletter starting date.





# 7 Reasons Why Buyers Won't Buy Your Practice



We all know from Economics 101 at university that price is determined by supply and demand. However, when selling your accounting practice there are other price factors that come into consideration and in some cases they are 'deal breakers' for prospective buyers.

Currently, demand for accounting practices and fees is at record levels. We have more than 200 registered buyers and when a practice lists for sale it is a frenzy. The open market is being starved by baby boomers refusing to sell. In some instances they are selling internally or going 'off market' and dealing with a friend or colleague they have known for years through their discussion group, university days or they worked with them at another accounting firm in the past.

While prices hold firm because of the supply and demand imbalance, we are noticing even the hungry buyers are baulking at some firms. Below we have listed some of the reasons why vendors can't afford to get complacent and this serves as a warning for baby boomers planning to sell over the next few years. This is particularly the case when supply starts to flow.

So what characteristics make buyers shy at a practice?

## 1 Age of the Client Base

As baby boomers hold on longer, their client database ages. Buyers generally focus on the top 20 or 30 fee paying clients and if they are all aged 55 plus then buyers fear up to 40% of the practice will disintegrate within a few years. This concern escalates if the top 3 clients form a big percentage of total fees. Age aside, the dependence on these top clients means the risk is even higher for the buyer and they might want to negotiate a reduced price, a higher retention amount or an extension of the retention period.

## 2 Declining Fees

If your fees are flat lining or in decline the warning bells ring for buyers. Who wants to pay top dollar for a practice that is in decline and leaking clients? These firms often have an ageing client base (see above) and usually the principal is a baby boomer who has become somewhat complacent in their twilight years. The practice has been in cruise mode for years and they are often characterised by no marketing, website or financial planning services. In many cases they could best be described as a 'compliance sweatshop'.

You might think I'm being cruel using these terms but in the next few years buyers will gravitate away from these firms because the target market for most buyers are Gen X and Y clients and these firms have very few clients in that demographic. Bookkeeping is fast becoming a commodity with outsourcing growing in popularity and these clients aren't interested in paying premium rates for bookkeeping services. They want to use and trust cloud based solutions and want an accountant who does more than just keep the score.

## 3 Declining Profitability

Let's face it, buyers want a return on their investment and if your fees are flat lining or in decline while your wages, software subscriptions and rent are creeping up then profits are heading south. The majority of sole practitioners have total fees of between \$400k and \$500k and when a prospective buyer is comparing similar fee parcels but one has a net profit of \$225k and the other has a net profit of \$130k then the decision is a 'no brainer'.

## 4 Staff

With quality staff in short supply, this variable has become even more important. If you have employees producing three

times their salary in fees then they become a magnet. A buyer will grill a vendor about their staff and want to know all about their productivity and whether they will stay on. Sometimes the staff are the glue that holds the sale and clients together but obviously a 63 year old employee is not that appealing compared to a 28 year old 'young gun'.

## 5 Technology

Are you paperless with dual screens and using the latest software and tools? If a buyer has to contend with paper that probably means they are inheriting boxes of files and filing cabinets which may create storage issues and additional scanning costs. As my teenage son says, 'get with the program dad'. Don't procrastinate and think that technology will be the buyer's problem when you sell in a few years. That complacency quickly leads to some of the issues we have mentioned above including diminishing profitability. Technology may well be a cost on your Profit & Loss but it is really an investment in the future value of your business. In fact, the primary purpose of technological change is to drive efficiencies and better productivity that leads to improved profits.

## 6 Price Expectations

Incredibly some of the owners of practices identified earlier in this article expect to attract premium prices for their business on sale. While the supply and demand equation remains unbalanced prices will hold up, but it won't last. Most suburban firms with fees under \$800k sell for between 90 cents and a dollar for every dollar in gross fees. However, standalone I returns are not worth that much and if 30% of your practice is made up of I returns expect a discount.

You are also selling future maintainable fees from your client list so you need to look at last year's gross fees, extract any disbursements and charges for company incorporations, SMSF and trust set up fees, fees charged for multi-year returns and remove fees for clients who have moved on to another accountant, sold their business or had one off consulting engagements.

Also, don't think your second hand furniture is worth anything. It could be worth something to a start-up or internal successor but most buyers are mature businesses who are merging your fees into their practice and they don't want your 18 month old server that you think is worth \$20,000. They simply want the data transferred across to their server and the market for second hand furniture is 'peanuts' according to e-Bay.

## 7 Take Home Clients

Buyers will shy at a vendor who just wants to take a 'few' clients home or a parcel of self-managed super funds. In other words, they're retiring but just want to keep their hand in the tax game. This just sends the wrong message and you can't have your cake and eat it too. If you plan to take a few family clients because they have never paid fees, think again. In a goodwill gesture hand them over and add a notional value to the future maintainable fees of the practice so you get some compensation for all the years you did their work at 'mates' rates. Accountants are notorious for making more 'comebacks' than John Farnham and buyers are becoming more insistent you hand in your tax agent licence.

*Hopefully this provides useful information to both buyers and vendors and call Pat Camm today on (03) 9824 5300 if you need assistance with buying or selling a practice.*

# Small Fish Are Sweet for Accountants

Marketing is a bit like fishing, to be successful you need to prepare and have a clear plan as to the type of fish you are targeting. You can obviously target several species at once by setting up separate lines but without the right bait and tackle you are just hoping to get a bite. For accountants, hope is not an effective marketing strategy that hooks new clients.

## So... What type of clients are you targeting?

We regularly ask accountants this question and too often they can't describe their 'ideal' client. Some will paint a very sketchy picture but you need to be crystal clear. If you think the larger firms have a clearer vision of their ideal client, think again. We recently met with a large firm in Melbourne and they described their ideal client as medical professionals who pay \$20000 a year in accounting fees. They indicated they may operate through a service trust, have multiple partners with multiple self-managed superannuation funds within the group and use the firm's full range of services including financial planning, loans, finance etc. We asked them what sort of success rate they have in attracting that type of client and the consensus was they were fairly successful with a lot of 'nodding'.

Our next question then stumped the partners; when was the last time they picked up one of these 'ideal' clients? The partners all stared at each other and couldn't produce a name so I asked all three partners to undergo a simple exercise. On a blank piece of paper they were asked to list their top 6 fee paying clients. Next to their names we asked them to list how long each of them had been clients of the firm. The results were very interesting because it proved that they had not attracted one of their ideal clients for more than 4 years even though they thought their marketing was working beautifully. The truth is, their gross fees were almost flat lining and only 5 of their top 18 clients actually ticked the 'ideal client' boxes.

Here's the icing on the cake. We asked the partners to detail the fees each of their top clients paid in their first year and the results were staggering. The vast majority of the clients paid between \$2000 and \$5000 in their first year and only 3 of them paid more than \$12k and only one client paid more than \$20k.

## So, what did the partners learn from the exercise?

Firstly, communicate your successes with your staff and partners. They were all busy on the tools thinking the business was humming along but 'busy' doesn't always translate to profit in accounting firms. They have now set up a T account on the whiteboard in the managing partner's office that lists any new clients they win during the month and on the opposite side of the ledger they list any

clients they have lost and why. They now wheel that whiteboard into every partners meeting and discuss the source of any new clients (referrals, website, staff, bank manager etc.) so they know what is working and what needs working on. You can't measure what you don't monitor.

Now that they know they aren't winning their ideal clients we are re-writing some content on their website and looking at some SEO strategies including writing blogs. They are planning to run some seminars around topics that appeal to medical clients and looking to get in front of more medical graduates to position the firm as an industry expert. Social media strategies are now also on the radar and they are patient because \$20k clients don't grow on trees. Often these clients have been with their existing accountant for years so prying them away can be difficult so you need a strategic approach and the right 'bait and tackle'.

The big lesson here is 'small fish are sweet'. You can turn small clients into big clients if you nurture them and introduce your additional services. Cast your mind back, we all cut our teeth consulting with smaller clients and business start-ups. If you only roll out the red carpet for the larger new clients you might be snubbing your big clients of the future.

If you want to win more of your ideal type of client talk to us today about our marketing services for accountants or consider joining the Accountants Accelerator Group in 2014. Also block your diary out for The Accountant's Top Gear Seminar on April 7, 2014.



## Client Testimonial

"Our website has produced spectacular results in the last two years. In 2013 the website generated more than \$150k of new business and we are already on track for a similar result in 2014. I have no doubt that it has also helped us to convert a number of leads and referrals into clients.

Apart from being a lead magnet, the website serves as our marketing hub. The back end of the site is used to manage our email marketing campaigns and distribute our client newsletters. The analytics are cutting edge and it has given us a serious competitive edge".

**Paul Dobson** – Principal  
SBG Accountants & Business Advisors



# WANTED

## The New Breed of CPA's Accountants Who Are **C**ommitted, **P**ro-Active and **A**mbitious

In 2013 we launched the Accountants Accelerator Group that targeted 12 firms looking for vertical growth under our marketing coaching. We made it clear there was no room for passengers and these firms had to be the new breed of CPA's – Committed, Pro-Active & Ambitious.

The selection process was based on strict criteria and we rejected a number of applicants. Some firms had capacity and staffing issues while others simply wanted a marketing silver bullet. Others weren't open to investing in their business education and they would have slowed the group down. Our members have nowhere to hide if they don't implement these breakthrough strategies.

Some of the members got phenomenal results in 2013. Their websites are producing quality leads and they are converting these prospects into clients. Some of the new clients are significant with fees of more than \$15k each. Other members have run successful client seminars while others are engaging with their niche markets and attracting their ideal type of client through various strategies including social media. Other members are still in the process of launching their new websites and producing videos while others have rebranded to appeal to their target markets including Gen X and Y business owners. Many of the group are starting to write blogs, embrace digital publishing and mobile marketing.

It's exciting and the results have come from a combination of hard work, strategic planning, tools and implementation. Most importantly, the members are starting to coach their clients with business growth strategies and are 'walking the talk'. They are looking to automate processes in their marketing and their practice. They have been introduced to some cutting edge tools and software programs that are helping them somewhat re-engineer their firms from a compliance base to a more profitable and enjoyable consulting base.

Results also come from being accountable. Each member is required to document their 90 day action plan that is critiqued at the end of the quarter. Studies reveal that people who have written goals accompanied by written action commitments AND who submit a weekly progress report to a friend, mentor or coach are 78% more likely to achieve their goals compared to people who were simply asked to think about what they would like to achieve. Without clear goals you get inconsistency of actions, effort and results.



## WE WANT YOU

Most of the 2013 members were sole practitioners or firms with less than 15 staff. This is our target market and if you are interested in joining the Accountants Accelerator Group in 2014 we have opened registrations. Simply download the application form from the foot of <http://www.pjcam.com.au/marketing-for-accountants/the-accountants-accelerator-group/>

This is a very practical coaching program and results driven. If you don't add \$50k of revenue for your investment you're doing something wrong but our real objective is to double, triple or quadruple that figure. Also, these strategies aren't 'sun tan' strategies that fade after a few weeks. They will keep producing new clients for years because it is like a 'snowball' effect.

We have two levels of membership – DIY and VIP. The program guarantees DIY members a minimum of \$50k of additional revenue for an outlay of just \$7,950. The membership fee of \$7,950 is payable in instalments, \$3,000 upfront then \$495 for the 10 months between March 2014 and December 2014. The VIP membership is \$18,000 payable upfront or 10 monthly payments of \$2,000 between March 2014 and December 2014.

We promote a non-competitive culture where the members share resources and ideas. At the quarterly brainstorm sessions you get to hear the success stories from other accountants who openly share their ideas and methods. The members have an attitude of, what can I contribute rather than what can I get.

The 2013 members achieved incredible results and in 2014 we only want 15 pro-active accountants who aren't afraid of being challenged and held accountable. If you're ready for vertical growth and want the structure and support to get the most out of your practice, apply to join the Accountants Accelerator Group today.

Applications close on March 15, 2014.

# Looking To Buy Fees?

## Why Pay Dollar for Dollar when You Can Pay 5 Cents in the Dollar ...

The demand for accounting fees in metropolitan Melbourne is at a record high. In fact, we currently have more than 180 registered buyers and when a quality practice lists for sale it is like a shark attack.

The most sought after profile is a practice with a fee base of between \$400k and \$500k located in the inner city region or south-eastern suburbs of Melbourne. We could sell that type of practice 20 times over on the proviso it is a quality parcel of fees. By quality we mean firms that focus on SME's and self-managed super funds (not I returns). As a guide, a \$400k practice would typically have 40 plus SMSFs. Another measure of quality is the gross fees per full time employee (FTE). If you are just doing \$100k per full time employee (including administration and support staff) then we hate to tell you but you are not going to appeal to many of the hungry buyers. At \$125k per full time employee you start to look appealing but anything over \$150k per FTE and you are the quality that buyers will always be drawn to.

There are obviously other benchmarks but elsewhere in this newsletter we have detailed the seven reasons why buyers might shy away from buying your practice. These include an aged client base, fees in decline, falling profitability, poor staff, unrealistic price expectations, failure to adopt technology and the desire to take a parcel of fees home after you 'sell'.

Basic economics tell us that supply and demand dictate price and currently most quality firms in the Melbourne metropolitan area (under \$800k in fees) command a price of 'dollar for dollar'. Any practice larger than that would generally be valued using a multiple of EBIT after allowing a notional partner salary of around \$150k. Given the baby boomer vendors are proving more stubborn than anyone ever expected, what can the impatient buyers do? There are different types of buyers including start ups, young guns leaving larger firms and going out on their own, consolidators and financial planning groups. However, the most common type of buyer is an established firm looking to tuck in another \$400k of fees to their existing fee base. They buy fees for a range of different reasons but many of them are addressing their deficiencies including an ageing client base, declining fees and profitability. It's not a criticism, it's a fact. Others are buying to build a fee base for a prospective partner and in many cases it is a 'quick fix'.

## Before You Buy

Frankly, before you invest several hundred thousand dollars in someone else's business maybe you should think about investing in your own business. In some cases, impatient buyers have almost bought a mirror image of their existing fee base and the acquisition has not revived their ageing client base or improved their growth rate.



Many of the buyers are in their mid 50's so when they depart in 6 or 7 years the age of their client base will be back where they started. In essence, they are masking, not solving the problem. Marketing should never have been off the agenda and every firm needs a 'rainmaker'. If you're flat lining and thinking of admitting a new partner, make sure someone in the practice is capable of bringing in new business.

At the start of 2013 we launched the Accountants Accelerator Group that targeted what we described as the new breed of CPA's - Committed, Pro-active and Ambitious accountants. We hand picked a dozen applicants and rejected a number of others. Our mission was to help them achieve extraordinary growth in 2013 and beyond. Using a combination of offline and online marketing strategies supported by a range of purpose built tools we have achieved some phenomenal results. We built them websites with a marketing edge because we believe the primary purpose of a website is to attract new leads and clients. The websites were tailored to their niche markets and we helped them host client seminars and introduce some new services including business coaching and marketing. They can now offer clients SEO services, video production and a range of other marketing services. Not only does this differentiate them from other firms but they are also getting more referrals than ever before and the clients are generally Gen X and Y.

For an investment of around \$10k several members will generate more than \$100k of new fees this year. The other members have had mixed results but most of them will generate at least \$20k to \$30k of new fees (and growing each year). Do your sums but paying 10 cents in the dollar for new fees is a more affordable and sustainable investment. Make no mistake, it's not for everyone but if you are serious about growing your practice the 2014 intake for the Accountants Accelerator Group is now open.

**The greatest compliment we receive from our network of 3,000 Accountants is the referral of their colleagues.**

**Thank you for your trust and confidence.**

**P.J. CAMM**  
& ASSOCIATES  
*Helping Accountants Succeed*



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# Business Start Up Manager

How many times have you sat down with a client to discuss the establishment or purchase of a new business? As an accountant your answer to this question is probably dozens if not hundreds of times!

You start the interview with a series of 'fact find' questions about their proposed business venture then you discuss alternative tax structures, registration requirements for TFN, ABN and GST. Next you discuss issues including accounting software options, business insurances, the methods of claiming motor vehicle expenses, finance options and possibly the preparation of a business plan. Sound familiar?

At the end of the meeting, what do your clients leave your office with? Apart from their head spinning with information overload, most accounting firms suggest their clients leave virtually empty handed or with simply a photocopy of your scribbled notes from the meeting. The advice is generally all verbal and probably forgotten within 48 hours. Not any more ...

**Business Start-Up Manager** is a software program that gives you an electronic checklist of topics to discuss during the client meeting. You systematically work your way through the tabbed sections and click on the appropriate boxes with your selection. For example, if you need to register the client for GST, a TFN or ABN you simply tick those boxes on the checklist and it will pre-fill this detail on both the letter of advice and your tax invoice for the consultation.

The program automatically generates a detailed 4 to 5 page letter of advice in MS Word based on your selections and this letter can be edited so you can add commentary on additional matters you discussed at the meeting. It also produces a two page summary of the nominated business structure including the various advantages and disadvantages.

To complement the software we have also published a 44 page booklet, **Starting or Buying a Small Business** that answers all your clients' questions about starting or buying a business. It provides details of alternative business structures, the various tax registrations, insurances, accounting software options and issues to consider when employing staff or working from home. There is also content regarding legal matters like wills and instructions on how to prepare a cash flow budget and business plan. You gift a copy to your client at the business start up consultation so they have a reference guide they can read at their leisure.



Business Start-Up Manager and the booklets offer accountants a systemised approach for clients starting or buying a business. It provides quality control and



ensures that you (or your staff) have covered all aspects of starting or buying a business with your client. At the end of the meeting the client walks away with a tangible and valuable booklet and within hours of the appointment they also receive a detailed five to seven page letter of advice (depending on what options you tick) with a summary of the nominated business structure and your invoice for the consultation.

Documenting the advice in writing improves the value of the consultation, reduces the risk of future litigation and improves the likelihood of future referrals. The firms who use the software and booklets suggest they are 'brilliant tools' and you can buy Business Start Up Manager together with 10 copies of the 'Starting or Buying a Small Business' booklet for only \$495. If you require the booklets printed with your firm logo and details on the front cover there is a one off artwork charge of \$99.00 if you have never purchased any overprinted products from us in the past.

Additional booklets with your logo can then be purchased in lots of 10 for \$16.50 each. The booklets are labelled with a recommended retail price of \$49 so clients perceive real value when you 'gift' it to them at the meeting. They also serve as a valuable marketing tool when customised with your firm logo.

