

# The growth playbook

How to transform your practice & double  
your profits in one year

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## Overview.

# The playbook.

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Consider what would need to happen to double the profits of your accounting practice in the next 12 months. Maybe you're drawing a blank. Or you might have a few ideas, but aren't entirely sure where you should start. Regardless, you probably think that increasing your bottom line by this much is too big an ask. It's not. It's definitely possible. But the only person that can make it happen is you.

For decades, accounting firms have followed the same guidelines and been built upon similar core characteristics, leaving few differences between them. We've seen practices containing the same standard roles and core business functions; ratios of one manager to every six staff; hierarchical organizational structures; and traditional processes. And for good reason—accounting practices all offered the same compliance-heavy services suitable for clients of all shapes and sizes.

If your firm was established near the turn of the century or earlier, it's likely you were built upon this one-size-fits-all model. Even if you were formed more recently, to an extent you were probably developed based on those who came before you. For so long, everyone has accepted this as the way an accounting practice should be run. Few have had the guts to challenge the status quo and actually act upon it. And now, many firms are being run with an outdated business model.

The accounting industry has gone through a huge transformation. Technology advancements, cloud computing, globalized economy, an increased automation of compliance, the introduction of a unique generation to the workforce (see [karbonhq.com/the-generational-shift](https://karbonhq.com/the-generational-shift)), and changing demands of clients have reshaped accounting, completely changing the way you work. So why are you trying to run a successful accounting practice using a business model built before this evolution? It's like entering a car race with a Model T Ford—while once it was ahead of its time, it wouldn't stand a chance today.

If you have moved to the cloud, at least when it comes to accounting software, have a think: when was the last time you reviewed your processes? Have you established a ratio of staff-to-managers that is ideal for your team? Does your structure allow you to scale quickly? Does your team include the vital business functions that are required in this day and age and the direction your firm will take? Are you working with profitable clients? And most importantly, do you love the work you're doing for them?

If you didn't answer yes to every one of these questions, take a step back and reconsider everything. Because if you keep doing what you're doing now—what you've always done—you can't expect things to dramatically change. But with some careful reconsideration and a transformed direction, the rapid growth your firm needs will happen.

And you should want this growth—no matter how content you are with your firm, you should always be striving to perfect your business model and grow that bottom line further. It will keep you motivated, your staff and clients happy, and of course, give you a greater disposable income. Remember that a constant quest to improve is what separates great businesses from the rest.

So brace yourself, because after going through these pages you'll no longer look at your firm in the same way. This playbook outlines the key aspects you need to consider to increase your profit and build a sustainable firm, and gives you a set of tools to get started. You'll learn what you must look at and change to create the machine that will work for you. You will need to be bold and there are some tough decisions ahead, but if you embrace this, you will turn your accounting firm into a vastly different and much more successful business.

**Step 1.**  
Reassess the big picture.

## Step 1. Reassess the big picture.

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### Take note of now—where you are & why.

You can't begin making any bold plans until you fully understand where you stand now, and this starts with assessing your firm in detail. To kick things off, look at the purpose, vision and mission of your accounting practice. If these aren't already defined, ask yourself why you exist as a business—and be specific. Look back to when you first established your firm, consider what your chief motivators were for building your own business, and identify the defining characteristics that set you apart from other accounting firms. Keep this in mind throughout every decision ahead.

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***“IN AN EFFORT TO BE SUPPORTIVE OF OUR CLIENTS, WE TOOK ON THEIR BOOKKEEPING WORK, ONLY TO FIND IT PULLING US AWAY FROM OUR ORIGINAL PURPOSE. WE HAVE SINCE RENEGOTIATED OUR RELATIONSHIPS, AND RETURNED TO OUR ORIGINAL VISION, BUT WITH A TWIST—BRINGING 21<sup>ST</sup> CENTURY ACCOUNTING TOOLS TO THE NONPROFIT SECTOR AND INCREASING KNOWLEDGE ACROSS THE BOARD.”***

*—Megan Genest Tarnow, The Mobius Group*

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Beyond your holistic motives, you need to take a closer look at your team, whose collective job it is to deliver on this mission. Examine your culture—the team's shared values and actions that are evident day-to-day. Your practice is developed and influenced by the individual personalities that interact within it, so it's important to understand how these individuals work together to reach common goals. Knowing these shared behaviors

will help you identify your team's strengths, weaknesses and overall health. In the end, a clear purpose gives your team focus.

#### PRO TIP

“People don't buy what you do, they buy why you do it”—One of the best talks of all time on leadership and the importance of defining your business purpose was delivered by Simon Sinek at TED. If you haven't watched it, it's worth the 20 minutes: <https://goo.gl/8u92NR>

### Decide where you want to be.

With a detailed understanding of where your accounting practice currently sits, you need to define what you want to achieve. Set clear goals that are specific enough not to leave any confusion (or room for excuses) further down the line. Begin looking long-term with a timeline of one to five years, thinking of this as the grand destination you want your practice to reach. These goals could focus on your service (including client satisfaction and retention), profit, growth (in terms of staff and future expansion), or social (how you'll give back to the community). They should draw closely on your mission statement, reflecting the reason your practice operates, and why you want to keep going.

And remember to be ambitious—you want to push yourself outside the comfort zone you've been sitting safely in for so long, and these will be a constant reminder of what you're working towards.

With the long-term destination figured out, you need to identify a roadmap that includes the steps that will get you there. Many progressive firms are starting to implement OKRs (Objectives & Key Results) in order to break yearly goals down into shorter-term objectives and key results.

These goals must cover multiple aspects of your business, including clear aims in relation to your revenue, staff retention, number of clients and their satisfaction, and whatever else you'll need to achieve to reach the ultimate goals. It will help to think about each aim using the S.M.A.R.T. method—make them specific, measurable, achievable, relevant, and time-specific.

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**“WE ARE CONSTANTLY MANAGING AND REVIEWING OUR GOALS AND FOCUS. WHILE WE WANT TO STAY NIMBLE LIKE A STARTUP, WE MAINTAIN THE DISCIPLINES OF LARGER ORGANIZATIONS IN TERMS OF BUDGETING, PLANNING AND FORECASTING. THIS GOAL-SETTING PROCESS IS CRITICAL, AND TIES DIRECTLY TO OUR ABILITY TO DELIVER OUR SERVICES EFFICIENTLY AND AT SCALE.”**

—David Pollock, BKE

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By breaking yearly goals into smaller quarterly objectives, you can then start thinking about key results you'll need to attain in order to hit the objective. You'll also gain a clearer understanding of the individual actions that will need to be taken by which members of your team, and how everything will fit into the wider scheme of things.

For example, your firm's yearly goal might be to double profits, but your quarterly goal is to double revenue month on month, three months in a row. Two key results could be to increase revenue by bringing in a number of new clients, or increase the value of current clients by X%. So two actions could be to improve your client onboarding velocity and implement at least one fixed-fee advisory service.

**PRO TIP**

OKR stands for Objectives & Key Results. Objectives are goals. They tell you where to go. Each objective has a few key results. They indicate how you'll get there.

The OKR rules:

- You must set them annually and quarterly.
- Don't have too many: Five objectives and four key results for each is your maximum per quarter (though we recommend three objectives!).
- Make them challenging: you should expect to finish hitting 80% of your targets.
- A key result must have a number. This way you can objectively say whether you've achieved it or not (scoring at the end of the quarter, using a scale of 0-1).



## OKR EXAMPLE 1

Practice name: ABC Accounting Co.

OKR period: Q3 2016

OBJECTIVE
Grow the number of new clients by 20%



KEY RESULT	SCORE
Increase number of new leads by 15%	0.8



TASKS	ASSIGN TO	SCORE
Appear on page 1 of Google search results for "cloud accountant"	Anna	0.7
Hire a Business Development Manager	Bob	1.0
Own social media and bring 5 new leads per month	Charlie	0.6

KEY RESULT	SCORE
Increase number of referrals by 35%	0.7



TASKS	ASSIGN TO	SCORE
Implement NPS and reach out to all current customers by end of quarter	Anna	0.6
Implement a referral program by the end of the quarter	Charlie	1.0

To learn more about OKRs and how to transform your practice for growth visit [karbonhq.com/transform-your-practice](https://karbonhq.com/transform-your-practice)



## OKR EXAMPLE 2

Practice name: ABC Accounting Co.

OKR period: Q3 2016

OBJECTIVE
Gain more value from current clients and bring an extra \$XX in gross profit



KEY RESULT	SCORE
Increase average revenue per client by 20%	0.7



TASKS	ASSIGN TO	SCORE
Reduce verticals we service to top 3 to lift average ARR to 30,000	Anna	0.8
Advisory service campaign so 75% of our clients purchase at least 1 service	Bob	0.6
Implement fixed-fees for tax lodgements to increase	Charlie	1.0

KEY RESULT	SCORE
Increase MRR per service by 30%	0.8



TASKS	ASSIGN TO	SCORE
Build 1 new core service for each type to increase revenue by \$10,000	Anna	0.9
Increase value of advisory services to increase MRR per client by 10%	Bob	0.6

To learn more about OKRs and how to transform your practice for growth visit [karbonhq.com/transform-your-practice](https://karbonhq.com/transform-your-practice)





### OKR EXAMPLE 3

Practice name: ABC Accounting Co.

OKR period: Q3 2016

OBJECTIVE
Use technology to increase team's output by 30%



KEY RESULT	SCORE
Decrease time spent on client work by 15%	0.8



TASKS	ASSIGN TO	SCORE
Reduce time spent on quarterly tax return from 4 hours per client to 2 hours per client	Anna	0.9
Become a QBO champion and implement QBO across 30% of our customer base by end of the quarter	Bob	0.5
Define new checklists for 3 of our main work types that reflect our use of cloud technology	Charlie	0.8

KEY RESULT	SCORE
Reduce the amount of time spent on non billable tasks by 25%	0.6



TASKS	ASSIGN TO	SCORE
Reduce onboarding process by 3 days	Anna	0.7
Reduce time spent on internal email by 15 hours per week	Bob	0.5
Find a system to manage daily standups and team communications for remote teams	Charlie	1.0

To learn more about OKRs and how to transform your practice for growth visit

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## OKR WORKSHEET

Practice name:

OKR period:

OBJECTIVE



KEY RESULT	SCORE

KEY RESULT	SCORE



TASKS	ASSIGN TO	SCORE



TASKS	ASSIGN TO	SCORE

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**Step 2.**  
Rethink your value proposition.

## Step 2.

# Rethink your value proposition.

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In this day and age, delivering an outstanding tax return will not only fail at helping your practice differentiate itself from other accounting firms, but also make it very hard to double your profit.

The demands of clients have moved beyond compliance to a rapidly widening range of business advisory services, so your value proposition must keep up with these changing times.

Take HPC CPA's value proposition for example: *"We are the technology-driven quarterback for global small businesses."*

There are key elements that make this proposition strong:

- From the outset, it tells you that technology plays an important part in the way they work, so you can expect progressive accountants working with SaaS technology.
- "Global small businesses" clearly states who they will be targeting and the type of problems a firm like HPC could help solve: a company with cross-border transactions, teams spread across the globe and a need to grow in different geographies.
- Finally, the "quarterback" hints at the type of services they provide, coordinating every player to win the global game—from back office simplification, to handling of the inherent tax complexity of operating in multiple countries, all the way to services that international businesses would not know how to execute in the US (think business registrations, insurance and payroll).

Does your current value proposition help you stand out from other accounting firms? Why would someone choose you over another practice? In order to define a compelling value proposition, you'll need to understand who is your ideal client, and what are the key services that they will value most.

### PRO TIP

A value proposition tells your prospective clients why they should do business with you rather than another accounting firm, and makes the benefits of your services crystal clear from the outset.

### Define your ideal client.

As an accountant, you enjoy an extremely low client attrition rate compared to other professional service industries. The question is, will your current client base result in your topline increasing by much at all, let alone 100%? If the answer is no, you need to be smarter about the clients you go after and the value that you deliver them. It's all about quality over quantity.

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***"YOU CANNOT BUILD AN EFFICIENT FIRM WITHOUT FOCUSING ON A NICHE CLIENT. IT HELPS US FOCUS ON THINGS LIKE MARKETING AND TRADE SHOWS, WHILE ALSO ALLOWING US TO CREATE SCALABLE SYSTEMS. BEFORE WE NARROWED OUR FOCUS WE WERE CONSTANTLY HAVING TO REINVENT THE WHEEL AND LEARNING ABOUT NEW BUSINESSES."***

—Greg Daley, Xcelerate Business Solutions, LLC.

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Think about who your practice's ideal client is, or would be in a perfect world. You want them to be highly profitable, likely to engage with your firm long term, and have the potential to bring you more business—either by referring you to other clients just like them, or through opportunities to upsell services to them.

Beyond these revenue-creating characteristics, if you value your sanity you want clients who are enjoyable to deal with, and who create interesting work. You might like solving certain types of problems for an SME, or perhaps you get a buzz from helping non-profit businesses. Maybe the clients you enjoy working with the most all come from one specific vertical—like restaurants and cafes. Depending on your own passions, and the culture and strengths of your firm, work out who you're best suited to.

Going back to the HPC CPA example, beyond talking to global small businesses, Bruce Phillips and his team identified three key verticals they wanted to specialize in:

- professional services
- e-commerce and retail
- SaaS and technology

The biggest advantage of having targeted verticals is that it helps you focus, specialize, and be more efficient.

Your clients have a big effect on the happiness of your staff, so to assist in this process ask your team to think about who they prefer working with. Showing you value your team's input will do wonders for your company culture. Any bad clients you or your team identify should be dealt with right away (even if it means creating an exit plan for them). This is one of the hardest things you'll have to do, but keep in mind that servicing a bad client can take the focus from the good ones.

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***“FOR THE FIRST SEVERAL YEARS, WE PROVIDED ACCOUNTING SERVICES TO ANY BUSINESS THAT CAME TO US. OVER TIME WE BEGAN TO REALIZE THE POWER OF FOCUSING ON A NICHE MARKET. YOU CAN QUICKLY GO FROM CONSTANTLY CHASING NEW PROSPECTS TO PEOPLE KNOCKING AT YOUR DOOR AS YOU BECOME THE EXPERT IN A PARTICULAR AREA OF FOCUS.”***

—Joe Carufe, *Two Roads*

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Once you've defined your ideal client, take the time to understand their biggest pain points, and how your firm could address them. For bigger businesses, remote worker management or international expansion could be the key to success; for startups, system and business advisory could be very enticing; for retailers and hospitality, understanding specific tax implications of certain goods and services, and staff payroll could be a major deal-breaker. Identify what makes them tick, and then move onto designing the services that will tackle those problems.



## WORKSHEET

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### 7 STEPS TO FIND YOUR IDEAL CLIENT

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1. Get a list of your clients, and download it into a spreadsheet (we'll be sorting and re-sorting it). You can find a template of this spreadsheet in this Edition.
2. Add some additional columns to the list, so you can identify the industry, size (revenue and employee count), location, and growth trajectory of each client. Add a column to identify your personal favorite vs. least favorite clients (you can do a numbering or point system—whatever works for you). Add additional columns for client traits, working relationship (one for good points and one for bad points), and finally a notes column.
3. Complete this for your clients, and feel free to get help from your staff (perhaps have them complete it on their own for the clients they work with). In a notes column, you might ask your staff to comment if they have complaints about working with the client, or what they have enjoyed about working with a client.
4. Once this is completed, sort the list first by your favorite to least favorite clients.
5. Next, sort this by industry. Identify if each industry is one you want to be involved in, know about already, or can easily learn more about. Is the industry growing (there's not much sense specializing in home telephone manufacturers for example)? And are there industries related to where you are most active that might make sense to look at (you may have several electricians as clients, so perhaps plumbers or HVAC technicians may be potential clients as well)?
6. Now, sort by size. Are your preferred clients startups or more established companies? Are they clients with no employees or a small number, or do you prefer larger companies? These are all important demographics that will identify the types of services they may require. For example, a growing company may need assistance with accounting processes, while a larger, more established company may have those processes down, but need HR assistance for their large number of employees. Again make notes on a tab to identify characteristics that you enjoy or gravitate towards.
7. Repeat steps 4 and 5 for your least favorite clients. Deconstruct those clients similarly to those that are your favorites to understand what demographic, psychographic or relationship characteristics make them less attractive.

Following this process, you will be able to identify the common characteristics of your firm's ideal client. With this information, you need to go all in. Involve yourself in this client niche and be an expert in their field. Learn how they think, how they speak, and what they want. And use this knowledge to shape the services you offer and how you market them.

To learn more about finding your ideal client and transforming your practice for growth visit [karbonhq.com/transform-your-practice](https://karbonhq.com/transform-your-practice)

## Design the services that will suit your perfect client.

Once you've defined your ideal clients and know them inside-out, you need to review the current services you offer, and compare them to the services you need to offer. There is no shortage of options for the public to choose from when deciding on an accountant, so their choice is going to be made based on the perceived quality of service, expertise in their area, or on price. And no, reducing your fees isn't a viable strategy for a firm with ambitious growth goals!

By identifying a specific niche, you can tailor the services to meet their expectations and position yourself as an accountant expert in their field. Servicing variations of the same client will also enable you to standardize your internal processes and deliverables, which will drastically improve your efficiency. Selling ready-made products to the exact demographic that they're intended for will save your firm time, energy and money, and make you much better at your job.

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**“TRYING TO SERVE EVERYONE WITH AN ‘ACCOUNTING IS ACCOUNTING IS ACCOUNTING’ MINDSET IS A PATH TO COMMODITIZATION AND BEING MARGINALIZED. WHEN WE FOCUSED ON SPECIFIC NICHEs OF GENERAL ENTREPRENEURSHIP AND REALLY UNDERSTOOD THEIR PAIN POINTS AND ASPIRATIONAL GOALS, OUR ENTIRE BUSINESS TRANSFORMED.”**

—Frank Lunn, Kahuna Accounting

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If you're struggling to determine what services your niche wants, perform a client discovery process.

Ask them what they need, find out their pain points and problems, and think about what you can do to help them overcome these and grow. Your target clients will have their own unique needs, so you must involve yourself completely in the chosen vertical and be an expert in their field. Referring back to the example of HPC CPA—they identified that beyond their three key verticals, their core target of “global small businesses”

have specific unique needs. Their needs dictate the type of services they provide today, and the services they will provide in the future.

### PRO TIP

The goal of running a discovery process is to assist the client in discovering what they really want from their accountant, and shape their perception and your services to reach their goals.

Learn how your clients think, how they speak, and what they want, and use this knowledge to shape the services you offer. You'll be able to train your team in relevant areas, and they will be able to apply their learnings across the entire client base rather than a select fraction.

If you can prove you have designed exactly what they need and have the skill set to provide these services, you will set yourself apart from all of your competitors. What's more, you will find yourself in a position to communicate just to the segment your services are intended for.



## WORKSHEET

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### 3 KEY ELEMENTS OF YOUR ACCOUNTING FIRM'S PROPOSITION

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#### 1. Relevancy

Your firm's value proposition must explain how your services solve your clients' problems and how their situation will improve if you become their accountant. Defining your ideal client will help hone the message and customize your services to target that specific niche.

*Who is your ideal client?*

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*How does your firm help their specific situation?*

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#### 2. Quantified value

Your practice's offer should define real value and offer clear benefits—from better decision making, to a virtual CFO, all the way to personalized service specific to your client segment. You should deliver tangible value, so don't just offer targeted services, but also price them accordingly.

*Which of the services you provide demonstrate that you are an expert in your field?*

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*What other services could you provide to strengthen your value proposition?*

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#### 3. Your single point of difference

Finally, once you state why your offer is relevant to your client and the benefits it will deliver, you must state what makes you different.

*What would make a potential client pick you over the next accounting firm?*

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To learn more about value propositions and transforming your practice for growth visit  
[karbonhq.com/transform-your-practice](https://karbonhq.com/transform-your-practice)



**Step 3.**  
Rebuild your processes.

## Step 3. Rebuild your processes.

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### Everything has changed.

Dozens of processes are carried out in your firm each day. Your team goes through similar steps to prepare a statement, onboard a new client or complete a tax return. These steps determine how the information flows and who handles what. If your firm were a machine, it would be your processes that determine how the cogs and gears interact, how quickly parts get put together, how much is spent, and whether there will be a defect in the product at the end of the conveyor belt. Thanks to technology, few products get manufactured today in the same way as ten years ago, and in accounting, technology has been just as revolutionary. So have you assessed the way you manufacture your firm's products?

#### PRO TIP

*Standardize, document, educate.*

- Have templates for all your compliance work so execution can be standardized across your practice.
- Document each process so it can be replicated.
- Educate your team so they all execute correctly.

It's easy to take for granted that some tasks you can now perform in minutes once took hours or days to complete. Because these ongoing improvements have happened, processes in most firms have adjusted organically over time. The steps, speed, and staff involved have all been altered, but often without much deliberate consideration or planning.

When looking at the journey to the cloud of accounting firms, one of the most incredible findings is that practices are implementing software-as-a-service systems without rethinking the processes that these systems are part of. Therefore, not only are they not

maximizing the gains of the cloud, but likely causing tension in areas that should be running smoothly.

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**“OVER THE YEARS WE’VE ALWAYS DOCUMENTED OUR PROCESSES, BUT USING OLD-SCHOOL PAPER FILES OR LOCALLY INSTALLED SOFTWARE ESSENTIALLY RENDERED THE INFORMATION UNUSABLE. BY TRANSITIONING OUR PROCESSES INTO ACCESSIBLE AND REPEATABLE CHECKLISTS, IN OUR CASE WITH KARBON, WE CREATED INDISPENSABLE TOOLS THAT ARE NOW THE BACKBONE OF HOW WE DO OUR WORK.”**

—Kim Hornsby, Singletrack Bookkeeping

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### Analyze & refine.

Think about the core processes that need to be improved—whether it's to perform them more quickly, execute several at once, or to improve their quality—and ask what core changes need to happen if you're seriously going to double your profit. As a Partner, you may be removed from some processes. If any have been delegated to other team members, involve them in this step, or better still, empower them to lead it. Your goal is to make sure each aspect of every operation is well-planned and performing as well as it could.

You want no wastage in time, people-power or cost. Performing a full 360 analysis of every process will give attention to each piece of the puzzle and help you discover the specific areas that need improving.

This analysis will help you identify specific pain points that need solving and areas you should concentrate on

improving first. You might discover only one part-time staff member knows how to complete a certain report. Or that time is wasted onboarding a client because of too much back and forth emailing. Would replacing all this with a 30-minute video call be a more efficient and personal way to kick off the relationship?

Some other issues may not require any digging at all, and are procedures you're fully aware haven't been updated in years. Are you still requiring staff to print email or documents to keep a physical record? Are you still putting off the transition to the cloud? There is no excuse for your firm to be employing processes intended for a vastly different accounting business, so take this opportunity to rework everything. Find where you can eliminate roadblocks, reduce bottlenecks, and speed things up.

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***“THE TECHNOLOGY IS GETTING BETTER, AND IN ANOTHER COUPLE OF YEARS, SOME PARTS OF COMPLIANCE SHOULD BE RELATIVELY AUTOMATED. WE NEED TO REVIEW OUR PROCESSES SO THAT WE CAN FOCUS ON OTHER VALUE-ADDED SERVICES THAT WE PROVIDE TO CLIENTS.”***

*—Kim Middlemis, Adrians CA*

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As well as focusing on the time that you can gain back from larger jobs, review where all time is spent by the entire team. Focus on cutting down the smaller administrative tasks that are taking up time, such as the hours spent responding to emails or too many internal meetings. Finding a way to give even 15 minutes back to each team member, each day, will add up rapidly. A 10 person firm will gain an extra 12.5 hours a week, or more than 550 hours a year. Consider what else your team could deliver with this newly-found time.

**PRO TIP**

Identify bottlenecks and opportunities to improve your processes.

For each process try to determine:

- The number of steps involved
- The time each step takes
- The most problematic steps
- The most time-consuming steps
- The business functions and personnel involved
- The impact of each step on the overall cost, quality and time

**Step 4.**  
Redesign your structure.

## Step 4. Redesign your structure.

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### **If you move to the cloud, you must reassess your whole firm.**

The way most accounting firms have been run for decades isn't right for the modern practice, and yet many firms are still proportioning their managers and staff and structuring their teams based on guidelines that included desktop systems, yearly meetings with clients (and charging calls by 15 minute increments) and services that could achieve differentiation by simply being done right.

#### **PRO TIP**

In the early 2000s, an efficient firm had a ratio of 5:1 (5 accountants to 1 partner/manager), in the same office. Now, in 2016 the modern accounting firm's ratio is anywhere from 7:1 to 15:1, and includes multiple locations.

Are you maximizing utilization and realization in your accounting firm?

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***“AS OUR BUSINESS STRATEGY HAS EVOLVED, OUR APPROACH TO HIRING HAS AS WELL. OUR LATEST HIRES HAVE ALL BEEN FROM STARTUP COMPANIES, AS THEIR SCRAPPY APPROACH TO GROWING THE BUSINESS WAS JUST WHAT WE NEEDED TO HELP MOVE FROM AN OLD-SCHOOL BOOKKEEPING OUTFIT TO A MODERN, SCALED, SERVICES BUSINESS.”***

—Keith Mueller, BKE

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Along the road, you have probably made reactionary changes to your team structure to improve efficiency,

cut costs, or cope with personnel changes. But these type of minor tweaks can do more harm than good and negatively affect the way your team works together. If your strategies, goals, processes or services change, your structure needs to keep pace. This requires more than a casual readjustment—you need to redesign how the roles and functions integrate within your team to suit your new direction.

### **Redefine your functions & roles.**

You need to take an entrepreneurial approach to your strategy, and doing this requires you to consider core areas and functional roles that your team may not currently include. Your accounting firm is a business, so run it like one.

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***“WE MADE THE DECISION TO NOT JUST RUN OUR PRACTICE LIKE A BUSINESS, BUT LIKE A RAPID GROWTH BUSINESS. FOR US, THIS MEANT MOVING FROM AN ORGANIZATION OF GENERALISTS WHO COULD DO A BIT OF EVERYTHING, TO BECOMING A COMPANY OF SPECIALISTS. WHILE THE MAJORITY OF OUR TEAM ARE STILL ACCOUNTING PROFESSIONALS, THESE NEW ROLES HAVE ALLOWED US TO SCALE THE BUSINESS AT A MUCH MORE RAPID PACE.”***

—Kenji Kuramoto, Acuity

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If you're not convinced of the necessity of this step, consider whether your current structure allows for work to flow through your team from commencement to sign-off as quickly and seamlessly as you'd like. Ask yourself whether you could effectively take on twice the number of clients you have now, without needing to change all

your systems, processes, and technology. Look at the way your team communicates and see if and where any issues occur. This redesign will ensure information moves through your organization with ease—your team will work better together, it will minimize the disruptions from unplanned events like the sudden departure of a staff member, and your practice will be well-equipped to scale.

### Identifying gaps and problems.

Make a note of every change that has been made to your practice in recent years, especially those that you're implementing as part of this transformation. Consider each function in your team and the individuals working in each of these areas (even the smallest accounting firms will have different functions). Take the time to speak with each team member to gain a thorough understanding of the problems they deal with, where their bottlenecks occur, and what (or who) takes up their time.

Pick a process and identify how the team is working. Has the process been redesigned in the past five years? Have the team members changed? Have the systems used in it changed?

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**“EFFICIENCY BEGINS WITH DEFINING ROLES. IF EVERYONE IS OVERLAPPING IN THEIR WORK, IT HINDERS EFFICIENCY AND OVERWHELMS THE CLIENT. WE HAVE FOUND THAT PROCESS MAPPING EACH JOB IN THE COMPANY HAS ALLOWED US TO FIND GAPS AND DEFINE CLEAR ROLES.”**

—Jessica Daley, Xcelerate Business Solutions, LLC.

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#### PRO TIP

If more than one team member is running your client onboarding, it is likely that there is duplicate information being collected. If you don't have a central place to manage this process, data will be lost, the process will take longer, and therefore revenue will take longer to get through the door.

For example, your client onboarding process should have changed dramatically in recent years. While before it was mostly manual and collaboration between your team members was minimal, nowadays it can be automated and run more efficiently. This has an impact not only on the process itself, but also on the skills you require your team members to have and the tasks they need to perform.

Also, if you have added services to your firm since the last time you revisited this process, it is likely they should be included in some form or another in the onboarding process (are you offering those services to those clients? Are you collecting the right information?).

### Your structure is yours.

With an in-depth knowledge of every aspect of your team, you should be able to formulate an improved organizational structure tailored for you, your team and your client needs. Don't disregard the fact that new technologies allow for real-time collaboration and communication, and have vastly improved the visibility you can provide throughout your team, unlocking countless options for you. Consider the pros and cons of flattening your structure, and significantly changing the number of staff you have for each manager.

There is no longer a one-size-fits-all model that existed for decades. Only you can determine what ratio and design will work for your team. Because of the new landscape of the industry, you can, and should, adopt structures that weren't possible previously. If you're going to grow you will need to arrange your team in a way that will allow for you to scale rapidly without any of your processes breaking.



## WORKSHEET

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### 6 ROLES YOUR FIRM SHOULD CONSIDER HIRING (AND WHY)

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1. **CEO**—*who will lead, provide vision, and implement your plan.*

A company's most important strength is new thinking, so it's essential that you provide the time and ability to constantly think in new ways. This is the CEO's role. In most traditional practices, the focus is predominantly on work and output—for every member of the team. While the work is important, you can't neglect your strategy and direction, so you need a leader who is freed from delivering services so they can focus on leading your strategy from the front.

2. **Operations manager**—*who will ensure every process runs smoothly.*

While your CEO leads your vision and strategy, someone else is needed to drive and keep your ship sailing in the right direction. A detail-orientated person who is close to the ground and has an eye on every aspect of your practice is essential for this. Your Practice Manager may already fill this position, but it's worth revisiting exactly what their role entails—this job is more than billings and workflow, it's about constantly ensuring the team is working well together and business is constantly improving.

3. **Business Development Manager (BDM)**—*who will seek new clients.*

While marketing is all about communicating to people you don't know, you need someone who will turn these prospects into actual clients. This role is all about establishing and nurturing trusted, one-on-one relationships, who can be converted into ongoing, revenue-generating clients. This is not your traditional "salesman", but someone that understands your niche, can build long-term relationships and will develop a sustainable lead management process.

4. **Service delivery expert**—*who will provide specialized services to your niche.*

These employees are responsible for delivering on the promises you're making to clients during acquisition and sales processes. You already have staff who deliver service, but if you're providing niche services you should consider employing experts in that area. Having people on your team who speak the lingo and have a proven track record in the industry will provide greater credibility and enhance your reputation as a leader in your field.

5. **Onboarding specialist**—*who will make sure all clients start on the right foot.*

The onboarding process sets the tone for your entire relationship with your client. Anyone who has a positive early experience will be more likely to stay with your firm long-term, and you'll have a greater chance of up-selling your services or gaining referrals from them. The time it takes to onboard a client also affects connecting processes and the bandwidth of your team as a whole.

6. **IT specialist**—*who will manage technology for your team and your clients.*

It is now essential for you to have someone with expert IT skills to lead your journey to the cloud, guide the implementation of a new system, and manage integration between your apps. Having the confidence that your practice is making the right technology decisions is vital. Furthermore, you have an excellent opportunity to expand the value you are providing to clients and assist them in choosing, adopting and using the right systems available to them. A specialist in this area will set you apart from your competitors.

To learn more about structuring your team and transforming your practice for growth visit

[karbonhq.com/transform-your-practice](https://karbonhq.com/transform-your-practice)

**Roll up your sleeves.**



## Roll up your sleeves. The time for action is now.

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The future of your practice depends on what you decide and implement within each of these outlined areas.

Your decisions will shape every element of your business going forward. Your staff, client acquisition, service delivery and processes will all change. But they'll move in a new direction you have to take. To be truly successful, you must not be content doing things the way they've always been done. It's not a viable way to run a modern accounting practice.

Don't assume your current processes are the most efficient. Forget the staff structures and roles that worked ten years ago. And stop ignoring additional value-added services you can provide to clients with a bit of effort now.

Instead, you need to throw out the rulebook that accounting practices everywhere follow. Design and document processes that capitalize on the modern systems at your disposal. Find your ideal clients and reconsider what you can offer them. Structure your team so they can do great work quickly. And work out what new roles and functions will deliver on your refined business strategy. Involve your team along the way as well—redefining your practice will impact your team and their culture, so they should be a part of your decision-making process.

Think boldly and carefully as you assess, strategize and plan, and you will reap the rewards. Not only can you double your profit within the next 12 months, but you'll find yourself spending your time on the work you love and what you're good at.

But don't stop there. This is something you can, and must, keep revisiting. Repeat this entire process periodically to ensure you're remaining on the right track and running the practice that suits the current environment and the business you want to run. Technology, client needs and trends won't stop evolving. If you can continually refine your business model to capitalize on this, your firm's success will have no limits.

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This playbook was produced as part of Karbon Magazine. For more articles, videos and resources on transforming your practice for growth and profitability visit: [karbonhq.com/transform-your-practice](http://karbonhq.com/transform-your-practice)



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