

HOW TO MAKE YOUR SMPS A BIG SUCCESS

7 Practice Management Tips for SMPS



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Today, small and medium-sized practices (SMPs) are confronted by a range of operational, market, and regulatory challenges. According to the IFAC (International Federation of Accountants) SMP Quick Poll¹ conducted between 15 November and 31 December in 2013, the foremost challenges for SMPs were attracting and retaining clients, closely followed by pressure to lower fees and keeping up with new regulations and standards. Despite these challenges, SMPs can and do prosper. This article suggests seven simple tips to help SMPs improve the management of their practice and increase their chances of success.

1 DEVELOP A MISSION STATEMENT, VISION, AND STRATEGIC PLAN

Write a compelling mission statement that focuses on your core values and publicise this statement. A statement such as “Helping small businesses

¹ For detailed results of the IFAC SMP Quick Poll, please refer to www.ifac.org/publications-resources/ifac-smp-quick-poll-2013-year-end-round.



SMPS OFFER UNIQUE VALUE PROPOSITIONS TO CLIENTS:

- **Personal attention** – SMP top management/owners are often available to meet in person.
- **Customisation** – SMPs provide services closely tailored to their clients’ needs.
- **One-stop shop** – SMPs offer a broad range of services, accountancy and others.
- **Trust, competency and responsiveness** – SMPs have a high level of integrity and competence and are highly responsive.
- **Close relationship** – SMPs build strong and lasting relationships with their clients.



become big businesses” could be persuasive with potential clients. No matter how small the practice, you should support your mission statement with a strategy and plan.

2 IDENTIFY YOUR EDGE AND CARVE A NICHE

Evaluate your practice’s skills and capabilities and identify what sets you apart. SMPs should continually look at how they can differentiate themselves from the competition by offering additional services or becoming experts in a particular area.

Once your practice is able to identify its edge, it should identify its target clients. Do these clients fall into a particular category? Does your practice know about a particular industry, or do you have special expertise in a particular area or trade? If so, you may want to consider developing a niche and marketing your practice to a specific target audience.

3 OFFER BUSINESS ADVICE

The aforementioned 2013 IFAC SMP Quick Poll results indicated that accounting, compilation and other non-assurance/related services were

the fastest growing source of revenue for their practices. In addition, SMPs are increasingly offering business advisory services in areas such as financial planning, risk management, and human resources, alongside or in place of their more traditional offerings.

You should look closely at how your practice can better help its clients and consider providing a broader range of services to help them successfully run and operate their businesses. In the longer run, this should result in more successful and more satisfied clients, which can translate into more business and increased revenue for your practice.

4 TARGET SMALL BUSINESSES

SMPs are especially well-positioned to serve small businesses. As small businesses themselves, they share similar aspirations, concerns, and attributes. SMPs’ clients are almost exclusively small businesses, and as a result of this specialisation, SMPs develop considerable understanding of and expertise in such businesses.

5 PROMOTE THE PRACTICE

Accountants generally have little expertise or experience in promotion or marketing as it is not typically part of their core education and training. This can impede growth for SMPs. Therefore, you may want to consider hiring an external marketing or public relations consultant who can develop a plan and strategy to position the firm and better reach out to your target clients. Alternatively, you could develop this skill-set inhouse by training an existing employee for the task.

Appropriate channels and activities to promote and demonstrate your practice’s expertise should be chosen depending on your objectives and target clients. For example, you could write a newspaper column, or write a blog about small business accounting and tax issues. In other cases, it may be appropriate to establish a leadership position within local business or trade associations to promote your practice’s niche and attract new clients.

6 DEVELOP RELATIONSHIPS WITH OTHER FIRMS

SMPs should establish relationships with other professional firms, both accountancy and non-accountancy, such as legal, HR, and IT firms, to meet client needs that fall outside their area of expertise. By working together with other firms, SMPs can leverage resources and help convince clients that they have the capability of a much larger practice. Having a relationship with other firms may also result in client referrals.

To further leverage economies of scale and synergies, your practice may want to consider joining an accounting network or association, or merging with another practice. When developing relationships with other firms, it is important to ensure that your firm’s mission, values, and objectives are complementary to those of the other firm(s).

7 EMBRACE NEW TECHNOLOGIES

To compete effectively, SMPs should consider automating their processes to improve efficiency and turnaround times and, in turn, lower costs. In addition, they should stay aware of new technologies, both to help their own practices and also to be able to advise their clients on technologies that may help them operate more effectively. Helping clients identify and implement new technologies can serve as a value-added service, which can help generate new revenue as well as boost client satisfaction and loyalty.

PUTTING IDEAS INTO ACTION

Depending on the nature and operating characteristics of your practice, we encourage you to consider implementing some of these tips to achieve sustainable growth for your practice. **SCA**

This article is based on the article “How to Make Your Small Practice a Big Success” by Dr Giancarlo Attolini, who was Deputy Chair of IFAC SMP Committee when he authored this, and Paul Thompson, Deputy Director of IFAC SME and SMP Affairs. Dr Attolini is now Chair of IFAC SMP Committee. Copyright © August 2011 by the International Federation of Accountants (IFAC). All rights reserved. Used with permission of IFAC. Contact permissions@ifac.org for permission to reproduce, store, or transmit this document.