

How to Make Your Small Practice a Big Success

Practice Management Tips for SMPs



International Federation
of Accountants

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Introduction

Today, small- and medium-sized practices (SMPs) are confronted by a range of operational, market, and regulatory challenges. According to the [January](#) and [April](#) editions of the SMP Quick Poll, regulation and the pace of regulatory changes are among the top challenges for both SMPs and their small- and medium-sized entity (SMEs) clients. To alleviate these and other challenges, IFAC's Small and Medium Practices (SMP) Committee is collaborating with IFAC member organizations to assist SMPs globally. Perhaps the most tangible example of this collaboration is the resources, tools, and advice aimed at improving the ability of SMPs to provide high-quality professional services (see list of resources at end).

Despite the challenges, SMPs can and do prosper. This article suggests some simple tips to help SMPs improve the management of their practice and increase their chances of success.

7 Tips for Success

The following practice management tips can help your SMP succeed:

1. Develop a mission statement, vision, and strategic plan: Write a compelling mission statement that focuses on your core values and publicize this statement; a statement such as “Helping small businesses 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: While the [April SMP Quick Poll](#) results indicated that traditional accountancy-based services, such as audit, accounts preparation, and tax services, are their main sources of revenue, 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 (see [The Role of SMPs in Providing Business Support to SMEs](#)). 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 specialization, 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; 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 best reach your particular clients. Alternatively, you could develop this skill set in-house by training an existing employee. 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 host a call-in radio show, 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 so they can 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.

SMPs offer a unique value proposition to clients:

- **Personal attention** – SMPs are often available to meet in person.
- **Customization** – SMPs provide services closely tailored to their clients' needs.
- **One-stop shop** – SMPs offer a broad range of services, accountancy and other.
- **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.

Source: [*The Role of SMPs in Providing Business Support to SMEs*](#)

Putting Ideas into Action

To help you put the tips in this article into practice, we encourage you to download the [*Guide to Practice Management for Use by Small- and Medium-Sized Practices*](#). This free guide aims to help SMPs become more proficient at managing their practices. It comprises eight stand-alone modules on topics ranging from planning and building your firm to managing people and client relationships. It features case studies, checklists and forms, and an office procedures manual.

Resources for SMPs

The following resources (all free of charge) are accessible via IFAC's International Center for SMPs: www.ifac.org/SMP.

- Publications—[*Guide to Practice Management for Small- and Medium-Sized Practices*](#) (PM Guide) and accompanying User Guide, and [*The Role of SMPs in Providing Business Support to SMEs*](#)
- Presentations and videos from 2011 IFAC SMP Forum in Istanbul, Turkey, including the session, [*SMPs Evolving to Better Serve SMEs*](#) (Session 3)
- Quarterly [eNews](#) and [Relevant Links](#)

The PM Guide is being translated into a number of languages by IFAC member bodies. To see a complete list of translations (both completed and in progress), visit IFAC's Translations Database (www.ifac.org/Translations/database.php).

Article written by Giancarlo Attolini, Deputy Chair, IFAC SMP Committee (see [bio](#)) and Paul Thompson, Deputy Director, SME and SMP Affairs, IFAC