

Survival of the Fittest:

How Can Your Firm Adapt to the
Changing Business Environment?

Agenda

To review 9 questions:

- How has business changed?
- Is there an Accounting Firm evolution?
- If so, what triggered it?
- What do clients want?
- How do you expand a practice and what can you offer?
- How do you measure a client relationship?
- Must an Accounting Firm offer all services in house?
- What are some examples of evolution?
- Where is this going?

HOW HAS BUSINESS CHANGED?

How has business changed?

- New Technology
- Culture and Employee benefits
- 24/7 Client Needs
- Workspace & Environment

An Accounting Firm is a group of people singularly committed to being more and doing more to help clients.

IS THERE AN ACCOUNTING FIRM EVOLUTION?



Look around

- Mergers and Acquisitions
- Roll Ups
- Expansion of Services
- Audit – Tax – Consulting

WHAT TRIGGERED THE ACCOUNTING FIRM EVOLUTION?

As always,
clients triggered it.

WHAT DO CLIENTS WANT?

Exactly what you
would want...

A deep, connected
relationship with
their financial team.

4 KEY CHARACTERISTICS OF THE ACCOUNTING TEAM

(1) Technical mastery

- You don't need to be the world's foremost expert
- You do need to know your area

(2) Communicating the complex simply

- Fewer words are better than more words
- Smaller words are better than bigger words

4 KEY CHARACTERISTICS OF THE ACCOUNTING TEAM

(3) Follow through

- Do what you say you'll do
- Every. Single. Time. ("at bats")
- It builds trust

(4) Care

- Genuine
- Cannot fake it

**No one cares how much
you know, until they know
how much you care...**

- Teddy Roosevelt

HOW DO YOU EXPAND A PRACTICE AND WHAT CAN YOU OFFER?

Can You Enter Through...

- Estate planning?

Yes

- Litigation Support?

Yes

- Tax Planning?

Yes

- Attest Function?

Yes

- Succession Planning?

Yes

- Business Valuation?

Yes

- Investments?

Yes

- Life Insurance?

Yes

- Family governance?

Yes

Any area that will help the client is the place to start!

HOW DO YOU MEASURE A CLIENT RELATIONSHIP?



**With one simple
question:**

**Did you help a
client today?**

**If you've seen one
client....you've seen one
client.**

MUST AN ACCOUNTING FIRM OFFER ALL SERVICES IN HOUSE?



NO,

However,
they should offer a
seamless experience

WHAT ARE SOME EXAMPLES OF THE EVOLUTION?

The Estranged Son

The Estranged Son

➤ **Who:**

- 78-year-old patriarch
- Two sons
 - One in family business
 - One employed struggling with addiction
- \$100 million net worth

➤ **What he said:** Lack of business succession plan and significant estate taxes

➤ **What he meant:** I am embarrassed and don't want to talk about it, but I need help as I've lost my son to addiction

The Estranged Son continues

➤ The “at bat”:

- New Estate plan
- FLP & Recapitalization
- Premium financed life insurance plan

➤ The evolution:

- Built relationship with estranged son
- Engaged professionals to provide treatment
- After care program for regular monitoring
- Implemented “incentive provisions” consistent with therapists’ treatment

➤ What it evolved to:

- Full family office

The Minority Business Owner

The Minority Business Owner

- **Who:** 42-year-old 15% owner of a Broadway staging company
- **What he said:** “I want more financial guidance from my accountants along with better tax planning”
- **What he meant:** How do I obtain the other 85% of the stock of the company from the founding members. How do I accomplish that in a way that’s advantageous to me from a cash flow, funding, and tax position?

The Minority Business Owner continues

➤ The “at bat”:

- Tax Planning
- Periodic Meetings
- Correct Team of Professionals

➤ The evolution:

- Introduced client to a valuation provider
- Assisted in negotiating the transfer of shares
- Secured financing for the transaction

➤ What it evolved to:

- Maintained the current client and retained the previous business owners as family office clients.

WHERE IS THIS GOING?

Where is this going?

- It's not enough to stick to our core competency.
- Clients expect and need more.
- Those who can thrive will need to **be more** and **do more**.
- We need to adapt to changing times, technology and philosophy.

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