

# The **Intentional Accountant**

Excerpts from the book by

M. Darren Root

*a resource for you from*

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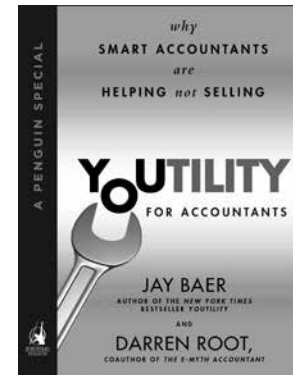
The  
**Intentional**  
Accountant

Your Roadmap for Building a  
Next Generation Accounting Firm®

*published by*

rootworks®

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Published by RootWorks, LLC.

1516 South Walnut Street, Bloomington, IN 47401 USA

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ISBN 978-0-692-20700-0

## LIVE WITH *INTENTION* – A NOTE FROM M. DARREN ROOT

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When I began my career in the accounting profession more than 30 years ago, I never dreamed that I would one day be writing a book, much less a third one.

As an accountant, my role had nothing to do with writing, and much less to do with questioning the traditions of my chosen profession. My job, as it was defined for me, was to do the work that paid the bills, just as my father had done in his firm. There came a point during those early years, however, when I realized that running a firm in the traditional mode and adhering to the staid accounting “brand” just wasn’t for me. Working long hours tethered to my desk never felt right; it went against my entire being. And I know, from talking with hundreds of my fellow accounting professionals over the years, that I am not alone in this feeling.

Through my tenure as Executive Editor of *CPA Practice Advisor* magazine, CEO of RootWorks, and co-author of *The E-Myth Accountant* and *Youility for Accountants*, I’ve had the privilege to speak with hundreds of accountants across the United States—many of whom I am now proud to call my friends. The people I have come across in our profession are among the kindest and most well-intentioned of any I have ever met. And, just like I did so many years ago, many of them struggle to find the balance between having an accounting firm and having a life.

That’s why I wrote this book. I want to share my experiences and offer the principles and practical steps that I took to build what I call a Next Generation Accounting Firm. My intention is to make the journey easier for my colleagues. My intention is to help you.

Before we get started on how to build a Next Generation Accounting Firm, let’s take a moment to offer some background on where the term came from and define what it really means.

Several years ago, while I was out presenting to the profession at a variety of education-based events, I recognized that there was a

major disconnect between where the profession was—and where, as accounting firm owners, we needed to be. Where we needed to *be* was actually in direct opposition with long-standing traditional methods of operating an accounting firm. It was then that I realized we needed a way to clearly explain to the profession what an accounting firm could be—what I call a Next Generation Accounting Firm.

I believe that there are two aspects of the Next Generation Accounting Firm: the technical and the emotional.

The technical level is composed of several pieces and parts—those elements that make the business “run.” I’m referring to technology, workflow processes, staff, clients, marketing, branding, and everything in between. These are the elements that I will detail throughout this book as I share tips on creating a blueprint for your own Next Generation Accounting Firm.

On an emotional level, this term means something very different, defined by the passion and pride that I feel for my business today. It is a term that symbolizes the sum of all the individual pieces and parts come to fruition.

With all this in mind, I believe a Next Generation Accounting Firm is:

A business built on focused intention with unmitigated entrepreneurial spirit that enables you to have the life you want. It runs on a business model that supports an environment where you can be *present* in all aspects of your personal and professional lives to have the greatest impact on family, staff, clients, and community. A business that operates independent of you; creates a better working culture for your firm; offers security through recurring revenue; fosters creative thinking; evokes excitement with each new stage of evolution; inspires the next generation of professionals; and is built for transition to support your legacy.

The concept of building a Next Generation Accounting Firm is the foundation on which RootWorks was established: an organization dedicated to helping other accounting firm owners realize their dream of entrepreneurship.

Ultimately, this book is about getting your life back by staying focused on your Next Generation Accounting Firm journey.

As members of the accounting profession, we are all connected. Personally, I am passionate not only about the ability that we, as accountants, have to help our clients, but also about how we can help each other. My hope is that this book will inspire you to look at your firm differently—to see your business as a moldable piece of clay that you can design and massage into something beautiful and inspiring. A masterpiece that not only supports the life you desire to live, but serves to inspire and enhance the lives of your clients. I hope that you will be motivated to make the changes required to renew your passion in order to truly *lead* your business and, ultimately, find the freedom to enjoy your life and the people in it.

I firmly believe in the power of living with intention—taking the reins and creating the life you want...making things happen...not simply adhering to a model that you’ve been told is the right one. Today, however, too many accountants are still unintentional about their business, allowing their firms to run on autopilot as they keep their heads down in day-to-day technical work. I know from personal experience that this is no way to operate your firm...it’s no way to live. My goal for you, by the time you finish reading this book, is to realize the awesome opportunity you have to create something truly special: a business you will be proud to call your own.

The good news is that you’ve taken your first step toward becoming intentional about how you operate your business. By simply selecting this book, you have created the intention to transition to the role of a true entrepreneur by building your Next Generation Accounting Firm. Your journey begins today, and I’m excited to make it with you.

Sincerely,



M. Darren Root, CPA, CITP, CGMA

## Getting it *Right*: Building Your Next Generation Business Model

*“Whatever the mind of man can conceive and believe, it can achieve. Thoughts are things! And powerful things that, when mixed with definiteness of purpose, and burning desire, can be translated into riches.”*

*– Napoleon Hill*

The accounting profession has become technologically complex over the years. Many of today’s practitioners aren’t sure how to make decisions on technology solutions, the most efficient way to connect internal systems, or which best practices to implement. The thing to remember here is that you need to adopt the solutions that best fit your current and future needs. You may have used one solution in a different firm that isn’t right for your current business. Don’t be concerned with cutting costs. Focus instead on analyzing which solutions are best for your particular business.

Based on your work in Chapter 2, you are now ready to proceed with the next phase of creating your vision statement. It’s time to build the right business model—one that is intentional; one that will free you to spend more time working as an entrepreneur in your business. Let me be clear: an effective business model is a core element that should be tightly integrated within the framework of your vision. Think of your business model as the blueprint from which you and your team will work to accomplish the goals you have set within your vision.

Be patient and remember that the building and implementation of your business model is a phased approach that will not happen overnight. No matter how motivated you are to enact changes immediately, it's probably not possible to fix all of your issues in the short-term. Improving all areas of operation—including defining services, building a delivery system, training staff, and even training yourself to change your way of thinking—will take time to do correctly. The idea is to create your blueprint, then consistently progress toward building a business model that evolves around your staff delivering services more effectively. Your plan should also enable you to create more and more “space” in your life. Over time, you will continue to create even more room for yourself to work on your business. Take a deep breath and proceed at a comfortable pace, celebrating the small successes along the way.

As you start down this path, it's important to realize that—like it or not, intentional or accidental—you already have a business model. For example, your clients may drive your current business model. This occurs when you allow clients to decide how you deliver services to them. This is what I call a “business model by default” or the “unintentional business model.” And unfortunately, it's how many firms operate today.

Years ago, I operated under a default business model—quite unintentionally. From the start, I failed to lead my clients in the direction I knew they should go. Instead, I allowed clients to define my firm's processes—so they were leading me. My unintentional business model came about, primarily, because we took on any client who walked through the door—no matter what service was needed or no matter what industry they were in. This limited me and my staff from becoming experts in any one market or service area. Additionally, delivering services based on each client's unique needs meant that service delivery had to be customized for every client. This barred me from establishing standardized firm wide processes and obligated my staff to understand every client's custom workflow. Clearly, this model presented numerous challenges for Root & Associates. It also kept me working, endlessly, in my firm because I was usually the guy with all the answers.

The absence of uniform processes for handling client work put significant pressure on me personally. Each time we took on a new client, I had to be intimately involved in order to understand exactly how service would be delivered. And because our services were so wide-ranging, rather than being tailored to the type of clients and industries we wanted to work with, once again, I was the go-to guy.

The problem is, if all aspects of your business rely on you, then you will continue to have the same issues that small business owner Tom Abrassart described at the beginning of this book. Like me and Tom, you will continue to be a main producer of work without time for impacting your business at a higher strategic level.

If your firm is like the vast majority of accounting firms—90+ percent have 10 or fewer employees, including their ownership—you likely already understand how an efficient business model supports higher productivity and profitability.

Let's pause a moment to look at the six elements of a defined business model, as based on my experience:

- A defined list of service offerings.
- A defined list of the types of clients your business will serve.
- A trained, qualified staff that clearly understands the business model and their individual role in it.
- A clearly defined delivery system for each of the services offered.
- Standardized processes and procedures for every aspect of your business that clearly articulate uniform workflows.
- A highly efficient technology infrastructure that supports your business model.

You may have already realized that we have discussed the first two items in this list in the last chapter.

The third item, developing a trained and qualified staff, is something that we will address in Chapter 6. The remainder of this chapter focuses on the remaining three elements: 1) building a delivery system, 2) creating standardize processes and procedures, and 3) building a technology infrastructure.

With these building blocks in place, you position yourself for long-term success and sustainability. Over the next few pages, I'm going to delve into these three elements in more detail.

### 1. Build a clearly defined delivery system.

Having a defined delivery system for each service offered is key to achieving freedom and transitioning into the role of entrepreneur. Without this, practitioners are at the mercy of clients to define their own unique delivery system. This will negatively affect firm efficiency, profitability, and the quality of service delivery. Having a defined service delivery system in place will also provide your staff with the structure they need to perform their work competently.

Consider Starbucks as an example of how a standardized delivery system offers immense value. Picture what happens when you walk into Starbucks to place an order for a latte:

- You walk up to the cash register, place your order with the cashier, and pay for it.
- The cashier writes your order instructions and name on the side of your cup and then passes the cup to the barista.
- The barista fills your order using the company-standard recipe and process.
- Your name is called and you collect your latte.

It's a simple, uniform process that ensures that millions of latte drinkers get the right order, in a timely fashion, every time. While there is nothing overly complicated or special about this process, it does illustrate three important points: 1) Starbucks provides you with a menu

of choices; you are not in charge of what they offer; 2) each person in the system knows what to do to get your order ready—without Starbucks' CEO Howard Schultz working the counter; and 3) as the customer, you don't have to do a thing to guide the process. The end result is an inherent trust that Starbucks' experts will fulfill your order properly.

My intent here is not to offer a direct process comparison between ordering a latte and providing accounting services. Clearly, a firm's processes are far more complex. My point in offering this example is to emphasize the ease and efficiency a standardized process delivers for both the business and its clients.

Now, with the Starbucks example in mind, ask yourself: Is this how service delivery looks in my business? If your answer is "No," you're in good company: most accounting firms haven't taken the time to perfect their end-to-end service delivery. Often, so much of your time is spent working in your firm that you're left with little to no spare time to make intentional changes, even those that would enhance operations. I like to say, "you've been too busy driving to stop and get gas."

Payroll services offer a great example of the pitfalls that come with an "unintentional business model." Consider the following example:

- The firm has no consistent process for setting up a new payroll client.
- The firm has no consistent method for adding new employees into the payroll system; client information is delivered in whichever manner they choose to submit it (email, fax, letter, or phone call).
- There is no efficient and consistent way of gathering employee hours to process payrolls. The hours are delivered in inconsistent, various ways.
- The firm prints payroll checks for some clients and uses direct deposit for others.

- Clients' employees receive paper check stubs and/or electronic stubs in emails or portals, depending on what they prefer.
- When it comes to sending payroll reports to clients, the methods are equally varied. Some are sent digitally to a portal, some take the form of printed reports, and others are emailed.

The point is, most accounting firms allow their clients to define the process.

Imagine if Starbucks ran the same way. Say that, instead of moving through the expected ordering process at Starbucks, you brought your own coffee and coffeemaker and then instructed the barista on how to make your latte using your tools. It sounds ridiculous, but believe me: the hundreds of firm owners I talk to each year indicate that they do not have a defined delivery system in place. They want to lead clients effectively, but are inadvertently allowing the clients to lead the process.

Consider another example of the damage caused by allowing clients to control your processes. Has your firm ever agreed to work around a new or existing client who uses an old version of QuickBooks®? Take a minute to review just a few of the issues this can cause:

- An accounting firm works with clients on multiple desktop versions of QuickBooks. Instead of using the collaborative cloud-based model with real-time data entry and the ability to work with clients in an anytime-anywhere environment.
- The client has promised a backup of data each period, but often doesn't send it on time—meaning the client controls when work can begin.
- You are forced to clean up the “digital garbage” you receive, which often results in a great deal of lost time and energy.

- With each new period, the firm discovers changes to historical information, after cleaning up the file from the prior period.

Added up, it's an equation for a lot of time wasted—which isn't a desirable business model for firm or client.

If your clients are creating inefficiencies in your practice, frustrating your staff, and keeping you tethered to a process that isn't working, you owe it to yourself, your family, and your employees to stop trying to adapt to the situation. Instead, use your energy to build the business model that will offer you flexibility and freedom.

I can tell you first-hand that building a standardized delivery system is hard work. It takes time and demands that accounting professionals stay apprised of leading solutions, trends, and best practices. It's not realistic to expect that you can continue spending all of your time working in your firm and still have time to implement the changes needed to build your ideal business. I understand this very common problem.

Some days, you may not even feel like you have time for lunch, but trust me: getting outside of the four walls of your office and finding ways to collaborate with other like-minded entrepreneurs can be a huge help in this regard. The process of working with other motivated practitioners who are also destined to be intentional entrepreneurs is incredibly valuable. My recommendation is that, in addition to following the steps laid out in this book, you also seek out peer-to-peer networks to support your efforts.

## **2. Create standardized processes and procedures.**

Another key component of your business model is the standardization of your firm's processes and procedures.

Just like Starbucks has a process for ensuring that customers receive a custom latte each time, an accounting firm needs to have clearly defined processes for every routine operation. When this occurs, the staff works in concert, performing work in the same, uniform manner—no matter which staff member is handling the work, and no

matter which client is being served.

Think about the process of taking on a new client. What does that process look like for your firm today? Is it standardized? Does your staff complete project tasks the same way every time, so that the outcome is predictably consistent? Do you have a form (digital or printed) that you complete each time to set up a new client? Do you have a standard process for taking that form and creating the client in your system?

At Root & Associates, we use a standardized form for new client setup, performed by a defined staff member. Our process is simple:

- The client is added to our practice management system, which seamlessly integrates with Microsoft Outlook so that all of the information is immediately available on our mobile devices as well (smartphones and tablets).
- The client is added to our online document management system, providing them with online access through our client portals.
- The client is then added to other relevant “spaces” based on the services they need such as tax, bookkeeping, and payroll.
- All client data points are seamlessly integrated.

Standardization of routine processes and written procedures are essential to building consistency and autonomy for your staff. The time that you invest in designing your business model, training staff, and implementing the plan will pay great dividends. With a defined delivery system in place, you can create consistency and delegate with confidence.

Consider every aspect of your firm and create a standardized process. The following are a few examples of areas to standardized to help get you started:

- New client setup.
- Online access for clients.
- Standard naming conventions for all aspects of your practice, including document management and client demographic information.
- Standard forms to support administrative processes (e.g., tax routing sheet, new client setup form, payroll setup form).

These are just a few examples. There are most certainly many more to be identified and developed.

### 3. Build a highly efficient technology infrastructure.

A discussion about developing an ideal business model needs to include technology. As I mentioned in Chapter 1, there has never been a better time, from a technology standpoint, to be in the accounting profession. We have the opportunity and freedom to work anytime, anywhere, and from any device. We are no longer tethered to our desks.

As technology evolves, so must the way accounting firms deliver services by meeting the needs of clients and staff. With so many solutions available, it's important to evaluate each potential solution in terms of: 1) how it will help support your business model, 2) how it will support your clients (client-facing solutions), and 3) how it will support your staff (back-office solutions).

I know building a technology ecosystem may seem overwhelming. After all, your skill set may not even currently include technology. The reality is that in today's Next Generation Accounting Firm, technology is crucial. However, it doesn't have to be overwhelming if you can master a few key concepts and organize your thinking.

**The first key concept is collaboration.** I believe that this is one of the most important concepts to grasp as you consider the technologies that will comprise your technology infrastructure. Collaboration

encompasses working with others to achieve shared goals. This is at the heart of how you should be serving your clients, as well as how you should be working with your staff. As such, collaboration should always be front-of-mind when evaluating solutions for your ecosystem.

When considering a technology solution, ask yourself: Does this solution support collaboration? Think of collaboration as having access to information and solutions at any time, from anywhere, and on any device. What better way to operate than with full access to all data and to all individuals (clients and staff) within your system?

The following are three examples to help illustrate this point:

1. Let's go back to our QuickBooks example. Assume that your client uses the QuickBooks desktop application and that data files reside on the client's PC. Considering the concept of collaboration, should this solution be part of your ecosystem? The answer is "No." Why? Because the criteria of any time, anywhere, and from any device cannot be met if data resides on your client's computer. However, the answer is not to throw out QuickBooks as the solution; it is the top solution among small businesses, after all. The answer is to find an alternative to meet the requirements of collaboration. This can be accomplished using an authorized QuickBooks hosting provider or implementing QuickBooks Online. What I want you to take from this example is that clients are required to work in the collaborative accounting solution(s) that you choose for them. This must be part of your business model.
2. Now let's assume that you've transitioned your client to hosted QuickBooks to meet the collaboration requirement. Your staff now has real-time access to client data, but to complete the project the staff member is working on requires a copy of a document for an asset purchase. This document is a hard copy in the client's file cabinet. Does this support your collaborative strategy? Again, the

answer is "No." The next step would be to digitally attach client files to QuickBooks transactions for immediate access at anytime. This requires an online document management system that integrates with QuickBooks, so staff can access attached documents from either application. The key here is that clients are, again, required to follow your model—being paperless and using the system you designed.

3. Finally, suppose your client travels to an out-of-state vacation home. While away, this client needs access to W-2 and tax returns for the prior two years. If staff has to pull paper files from your office to fulfill the client's request, does this meet your collaborative requirement? Of course it doesn't. Again, implementing a cloud-based document management system that integrates with your broad technology infrastructure is required here. This will allow staff to simply upload documents to the client's portal for immediate online access by the client. The key here is having a process in place for adding specified documents to online client portals.

**The second key concept is integration.** As you build your ecosystem, you must ensure that applications integrate across the board to support the flow of data from one solution to the next. This offers extreme efficiency gains by eliminating multiple databases and re-keying data. There are two things to keep in mind as you consider integration:

1. Any solution within your ecosystem should not require an additional database. For example, having a database for practice management and another for tax only creates complexity, which is wasted time and effort inside your ecosystem. The goal is to establish a single database, which is only possible if your applications are seamlessly integrated. Creating a single contact database at Root & Associates was the single most important change we made to move the company forward in its evolution.

2. Any solution you use should enhance firm workflow, not add steps to it. For example, if you use or are considering a document management system that doesn't seamlessly integrate with your online client access and mobile solutions, you could be creating serious duplication of effort and workflow issues within your firm.

It's time now to apply the concepts of collaboration and integration to the applications within your model, including client-facing and back-office solutions. Let's begin by digging into the criteria used at Root & Associates to evaluate technology solutions:

**Selection criteria for client-facing solutions.** Make sure that you consider each criteria listed below as you evaluate different technologies, always considering the ability to support your collaboration and integration requirements. Ask yourself:

- Is the solution collaborative by design? In other words, can you and your clients access information in real time—anytime, anywhere, and from any device?
- Is the solution easy to use?
- Does the solution represent your brand in a positive way? (Note: the solution doesn't necessarily have to be branded to your firm, but it should be a positive representation of your brand.)
- Does the solution connect or integrate easily with other client-facing solutions used in your firm?
- Is the vendor stable, and does the vendor maintain a high level of security?
- How forward-looking is the vendor's technology, and does it match up with the way you want to serve your clients going forward?

### Criteria for specific categories of client-facing solutions:

**Client Accounting.** QuickBooks and QuickBooks Online are the obvious solutions to handle work that is exchanged between you and your clients. If you choose a desktop version of any accounting software, you will need a hosting provider to support collaboration.

**Paperless Document Management.** To ensure maximum efficiency, it's important that your clients maintain digital files on their end and that you have access to these files. To accomplish this, you require an online document management application that integrates with the client accounting solution.

**Client Portals.** Portals are the common term used in the profession for technology that provides clients with online access to their financial documents. However, I elect to call this technology "Online Client Access." This level of technology is crucial on many levels. If you are preparing tax returns, financial statements, payroll, audits, or providing any other service, there's a good chance that you are using various software solutions to generate this information. For example, if you provide payroll and tax services to a client, your payroll software generates checks, W-2's, and payroll reports while your tax software generates the tax returns. Integrated online client access technology enables you to deliver all documents to the client seamlessly, no matter what application documents were created within.

**Website and Mobile Apps.** I will address website and mobile apps more in Chapter 9, but I think it's important to note here that it's a must to have your website and mobile apps integrated into your technology infrastructure. Today's clients demand online, mobile access, so make sure you can deliver—and that you deliver a rich experience.

**Selection criteria for back-office solutions:**

- Does the solution integrate seamlessly with other solutions in your system without requiring the addition of another database?
- Will the solution integrate tightly with other solutions in your system (both client-facing and back-office)?
- Does the solution allow access anytime, anywhere, and from any device?
- Is the vendor stable and established, so that you won't have to be concerned about the long-term viability of the solution?
- How forward-looking is the vendor's technology, and does it match up with the way you want to serve your clients going forward?

**Criteria for specific categories of back-office solutions:**

**Practice Management.** Every element of your back-office system should center on your practice management solution. This solution should serve as the “hub” for all demographic data, workflow management, time and billing, and firm benchmarking. Your practice management solution is the foundation for a single contact database, which is a mission-critical goal of every Next Generation Accounting Firm. I cannot express this point enough. Countless firms have experienced the chaos of dealing with multiple databases, which causes multiple data entry points, leads to duplication of work, and heightens risk of error.

**Tax and Depreciation** Your tax software should fully integrate with your practice management solution, so when data updates are made in your practice management solution, they automatically update in your tax software. Your depreciation solution should also seamlessly integrate with your tax solution to eliminate re-keying of information.

**Accounting and Trial Balance.** These systems should also fully integrate with your practice management and tax solutions. Additionally, you should consider a solution that will integrate with your client accounting solution on the client-facing side.

**Document Management.** The goal is to be paperless, so the document management solution you select is important. It should seamlessly integrate with both your back-office and client-facing online client access solution.

As you can see, you need to select solutions wisely. One low-efficiency workflow process in your ecosystem can wreak havoc on a firm. Think about how the infrastructure you choose will work for your staff, and remember that changing solutions is never easy.

As we close this chapter, I have a few final comments to share about implementing your Next Generation business model. Considering my own experiences and those of firm owners I work with from across the country, I've identified the two main barriers that hinder the ability to execute the vision and business model we've discussed thus far:

1. The inability to say NO to opportunities that do not fit your business model, and
2. The inability to make all necessary changes across the business to support the new business model.

In reference to barrier 1, continuing to accept any opportunity that comes through your door will most certainly stymie your transition. Perpetuating this approach only sustains a model of confusion. Conversely, once you begin to focus on clients and prospects that fit your business model, taking on those that don't fit becomes painfully obvious.

Here, I'd like to remind you of barrier 2, which I stated at the beginning of this chapter. You need to dedicate ample time to improving all areas of operation over the long term. The idea is to transition progressively, one change at a time, making room to successfully transition your business.

As we have discussed, the ultimate goal of the process that we are following is to have a firm with a finely tuned system and well-trained staff, only serving clients within your core competencies. Imagine if this was true for your firm today. Can you visualize the result?

Now that you have read about how to develop the right business model for your accounting firm, it's time to put what you have learned into practice and complete your vision. You have your end in mind, you know the services you want to offer and the type of clients you want to serve. You also understand the method you want to use to serve clients and the solutions to execute your business model.

While creating a vision for your firm is not easy, it is the starting point of your transition. Thinking through your vision and business model and getting it down on paper is absolutely essential in the transformation process. It's this work that will determine how successful you will be in implementing the remaining chapters of this book. Remember, your vision serves as your roadmap. Without it, you will continue to be unintentional about this extremely important part of your business.

On the following pages, you will find some worksheets and examples designed to help you through the process of "beginning with the end in mind." You will also find a copy of Root & Associates vision statement as an example. Take some time to systematically work through a few exercises designed to help you develop a vision statement that includes your business model. You'll want to have this recorded before you continue your journey in Chapter 4.

### **Next Generation Business Model Exercise: Creating Your Technology Delivery Model**

**Step 1:** Write down all of the service offerings that your firm plans to make available. For each offering, identify the best way to deliver those services. Be clear and think in terms of end-to-end solutions, from point of initial contact to delivery and everything in between. Next, consider how you would use technology to make each service offering as efficient as possible, assuming that the technology exists (because it probably does).

**Step 2:** Using an application such as Microsoft Excel, create a workbook in which you list all of your clients in column A. You'll probably want to group your clients based on the type of service you provide for each one—for example, bookkeeping, write-up, payroll only, annual business and individual.

Using the technology solutions you selected for your business model (e.g., QuickBooks Online, hosted QuickBooks, portals), label the columns across the top. Label some of the remaining columns, out to the right, with the various solutions your clients are currently using. As an example, if your annual business client is currently providing you with a QuickBooks backup file each year, your ideal model says that you want your annual business clients in a collaborative environment (no backups). Place an X in your spreadsheet by the existing solution and fill the box with a color; create a new box next to this with your ideal solution. (*See example below.*)

The goal of this exercise is to create an inventory and to generate a snapshot of your existing clientele and the solutions they are currently using. Using the colored boxes, you will also get a clearer picture of how far off you are from your ideal business model.

Now that you have reached this point, you can begin implementing your system, meeting with clients, and transitioning them one at a time. At this point, you can start removing colored boxes and eliminating the X's—moving from where you are to where you want to be. This process takes lots of patience and tenacity.



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