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**LAST CHANCE TO REGISTER:
AUGUST PCPS ONLINE FORUM**

PCPS Online Forum

**How the Recession Has
Changed the Landscape for
Mergers, Compensation
and Governance of
Accounting Firms**

August 18, 2009
2:00 - 3:30 pm ET

Featured Speaker

Joel Sinkin

Joel Sinkin is President of Accounting Transition Advisors, LLC, which exclusively consults on the merger and acquisition of accounting practices nationally. He teaches CPE for state and national accounting associations and has consulted on over 900 accounting firm closings and succession plans and published books and articles nationally.

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PCPS Brief

August 2009

Reviving Your Marketing Effort

In our last PCPS Brief, we looked at client retention, the challenge that topped all the lists in the 2009 PCPS CPA Firm Top Issues Survey. After many years of robust growth for CPA firms, the bad economy has apparently reminded practitioners about the threat of possible business losses. A related concern, bringing in new clients, has also once again edged its way into the top five issues for firms with six or more professionals. This shift in focus is in stark contrast to the recent past, when most CPAs enjoyed strong enough demand for their services that practice development may have slipped well down on their priorities lists.

Many firms are dusting off their marketing plans and considering how to succeed at bringing in new business during a downturn. In this Brief, we'll examine some of the best steps to take.

Make a New Plan

The first step, according to Tamera Loerzel, partner of ConvergenceCoaching LLC, is to develop a comprehensive marketing strategy. "Make it a consistent effort instead of a one-off campaign," she says. "Most people want to jump right into activities, such as direct mail, a Web seminar or an executive briefing. " Those may be good ideas, but they should only be done as part of an overall strategy. "First, the firm leaders should decide what they want to market, to whom they are marketing, and the difference their products and services will make in the lives of their clients."

To make those decisions, the firm has to decide how it wants to position itself in the market. Questions to ask include:

- ▶ What are our mission and values?
- ▶ What are core strengths and our competitive advantages, for the firm overall and for each service area?
- ▶ What products and services do we offer? Should any changes be made in this lineup? Loerzel advises firms to consider cutting back, or sometimes even eliminating, areas of low profitability or limited growth potential. Although dropping clients or services in a recession seems counter intuitive, she says this better focusing of firm resources will make the practice stronger in the long run and allow it to make better use of its marketing dollars and people.
- ▶ Who is our ideal client? Loerzel notes that the ideal client doesn't have to be the firm's only client. Instead, defining the type of client and service that are the firm's ideal will help focus the firm's overall strategy and make better use of its marketing investment.

Practice Management Forum, given by Joel Sinkin, president of Accounting Transition Advisors. This interactive PowerPoint presentation, which will take place on August 18, examines how uncertain times have affected CPA firm mergers.

Registration is Easy: Just send an e-mail to us no later than August 13 at PCPS@aicpa.org to let us know you would like to attend. Your registration will be confirmed by e-mail. Another e-mail will be sent shortly before the event with the details on how to join us on August 18. Every Forum takes place from 2:00 to 3:30 p.m. ET. [Click here](#) to access archived forums.

Free Employer Access to CPA Job Finder

Take advantage now of free access to the [CPA Job Finder](#)—the AICPA’s official job board—a great option for firms looking for talented professionals and for CPAs seeking new opportunities. In light of the troubled economy, there are no fees for employers posting open professional positions (the service has always been free to individuals seeking employment). To use this popular site without any charge, email pcps@aicpa.org to get the special code.

International Financial Reporting and Small Business: Where to Learn More

There are now new international financial reporting standards designed to meet the needs of small and medium-sized entities, and PCPS has stepped in to provide members with a [clearinghouse](#) of related resources. Known as IFRS for SMEs, this new guidance is a simplified version of the existing international standards designed with small business concerns in mind. U.S. private companies may choose to use IFRS for SMEs as an alternative to U.S. GAAP.

The PCPS Firm Practice Center site includes an FAQ on the new release, an

- ▶ What pricing strategy should we follow for our products and services? Once the firm has answered these questions, it’s in a better position to determine the kinds of marketing activities that will provide a successful return on the marketing investment.

Appoint a Guru

In order for the marketing effort to succeed, there must be one person in charge. “When nobody owns it, there is no real follow up and often disappointment in the results,” Loerzel says. While everyone in the firm should certainly be aware of the need to market and how it relates to their own responsibilities, there should be one marketing partner, someone with proven rainmaking talent, who is driving the strategy. Their responsibilities should include tracking the firm’s marketing activities, including where business comes from, how much is being spent on various efforts and the overall return on investment. Collecting this data makes it possible to evaluate and adjust the marketing strategy as needed.

Review the Basics

Once firms have put together an overall strategy, they may find that the efforts they decide to make are very familiar. When she noticed a softening in new business growth about a year ago, Peggy Ullmann of Phoenix-based Ullmann & Company, P.C., found that the best answer was to go back to marketing basics.

“Do the things you know are a good idea,” she advises, including setting up meetings with clients, bankers, financial advisers and other networking connections. She can attest that the strategy works. “Once we started talking to people, a lot of work came in. It was interesting to remind myself how effective that is.” She also met with her staff to reinforce the importance of marketing and the need to be more aware of client opportunities. And the firm updated its Web site to optimize its marketing value.

“Make noise,” is Ullmann sums up her strategy. “Talk to people and remind them that you’re here. Let clients know you care about their businesses.”

PCPS News and Communications

Take Advantage of Available Resources

PCPS members have many tools waiting for them as they create their marketing strategies and put their ideas to work. They include:

- ▶ [PCPS Client Service Resource Center](#). This brand-new storehouse of information is a free benefit of PCPS membership.
- ▶ [CPA Marketing Tool Kit](#). Free to AICPA members, this online resource features advertisements, brochures, speeches and PowerPoint presentations, client satisfaction surveys and guidance on successful marketing steps.
- ▶ [Small Firm Marketing Brochures](#). An award-winning brochure on the benefits of working with a small CPA firm is a free benefit of PCPS membership.
- ▶ [PCPS/TSCPA National MAP Survey Commentary](#). The

informational article and video as well as a link to the AICPA dedicated [IFRS site](#). As the business world becomes increasingly global, understanding the new standards will give practitioners a competitive edge.



commentary and the survey include benchmarking information that firms can use to compare their own efforts with those of other firms.

- ▶ [PCPS Podcast Series – Helping Firms Help Clients](#). The “Targeted Marketing” podcast explains the best practice development strategies in a recession.
- ▶ [AICPA Trusted Business Advisor Workshop](#). Identifying consulting opportunities for clients is the focus of these workshops.
- ▶ AICPA/PCPS Practitioners Symposium – June 7-9, 2010, Las Vegas, NV. PCPS members receive a \$125 discount on this conference, which focuses on practice development as well as a host of other issues of importance to small firm practitioners.

AICPA Seeking Exemption for CPAs on FTC “Red Flags” Rule

In 2003, Congress passed legislation intended to curb identity theft, and the FTC subsequently issued a "Red Flags" rule that requires creditors or financial institutions with covered accounts to have in place programs to assist in identifying a potential identity theft. CPAs could become subject to the FTC's Red Flags rules, since recent interpretations from the FTC to other professional organizations (lawyers, physicians) indicate that a “creditor” includes “any entity that defers payments, even in the normal course of a traditional billing process”. Thus, if a CPA bills clients monthly, this could be considered to be an extension of credit that would require the CPA to have an internal program, subject to inspection and review, designed to detect, prevent and mitigate client identity theft.

The AICPA has been seeking an exemption for CPAs, and the effective date has been extended by the FTC to November 1, 2009. This is reminiscent of another unnecessary regulation of CPAs—the privacy disclosure notification requirements of Gramm-Leach-Bliley - that the AICPA successfully fought years ago. We will keep you apprised of developments on this issue. For additional information and resources found on the FTC Web site, [Click Here](#).

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