

ACCOUNTANEUR



HITENDRA R. PATIL

THE
ENTREPRENEURIAL
ACCOUNTANT

ACCOUNTANEUR[®]

The Entrepreneurial Accountant

By Hitendra R. Patil

Published by CPA Trendlines Research

– 1 –

Sample pages preview.
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<http://baystreetgroup.com>. | contact: hs@baystreetgroup.com |

ISBN-13: 978-0692709092

ISBN-10: 0692709096

BISAC: Business & Economics / Accounting / General

Advance Praise for Accountaneur®

“Accountants need to be more than just accountants and Hitendra creates a way for accountants to look at themselves. He calls it the Accountaneur®. This book contains a great deal of new thought about what accountants should be doing. It is a required read for all professionals, partners and non-partners. Leaders at accounting firms have a huge responsibility to create a business environment conducive for growth and achievement, not just at their firms, but especially for their clients. Hitendra brings a perspective that helps accounting firm leaders find answers to key questions that will lead to entrepreneurial achievement.”

*– August J. Aquila, CEO, AQUILA Global Advisors LLC,
consultant to professional service firms, author and speaker.*

“What impressed me the first time I met Hitendra is his drive to help others reach their potential. This book does just that. You will learn and appreciate what an important role the accountant plays in our business and personal lives. Hitendra makes the profession come alive. If you are in the accounting profession, or thinking about it, *you must read this book!*”

*-- Chester Elton, New York Times best-selling author
of "The Carrot Principle," "All In" and "What Motivates Me"*

“Entrepreneurs create wealth and opportunities for others. Entrepreneurial accountants make it possible for entrepreneurs. *Accountaneur®* is a probing question-bank for accountants who want to be entrepreneurial.”

*– Allan D. Koltin, CPA,
CEO, Koltin Consulting Group Inc.*

Dedication

Behind every successful man, there is a woman. I think behind every entrepreneurial man, there is a woman who makes sacrifices every day. I dedicate this book to my lovely wife, Soni, whose years of encouragement, unflinching support and care, through thick and thin, and the staunch belief in me that I can help people live their true potential, has made it possible for this book to take shape. She has been my sounding board for many of the topics covered in this book, the untiring test-user of my writing, my critic to prune all the gibberish that otherwise would have found its way into my writing, and asking me innocent questions from a reader's perspective—questions that were mighty difficult for me to answer, but which made me focus on delivering value in each of the subjects I touched.

Acknowledgments

Over the last 11 years, several CPAs, Accountants, Bookkeepers, Enrolled Agents, Tax Preparers, QuickBooks ProAdvisors, and other Accounting professionals helped me understand the pulse of the profession. By debating and discussing with me their challenges, they made it possible for me to identify actionable insights. My esteemed clients, ALL firms in the Accounting and Tax profession, are my mentors as well as “practice” expertise creators. Several recognized thought leaders (some of whom I haven’t even met yet) in the profession have shaped my thinking and although it is nearly impractical to name all of them here, I would like to take this opportunity to mention Ron Baker, Tom Hood, Daniel Burrus, Edward Mendlowitz, Allan Koltin, Bill Sheridan, Dan Hood, Mike Cohn, August Aquila, and many others. I have been inspired by the “Accountants of the Future” who chose to create a new path by Uberizing traditional business models of Accounting firms. I have been voraciously reading books for years (my guess is about 700 books by now) and there are many authors who contributed to building my belief systems. Some of them are Peter Drucker, Tom Peters, John Maxwell, Jack Canfield, Dr. Deepak Chopra, Tony Robbins, Dr. Travis Bradberry, Daniel Goleman, and Chester Elton. Jay Abraham’s book “Getting Everything You Can Out of All You’ve Got” firmly put me on the path of bringing wisdom from other professions, industries and segments of knowledge to apply it into the accounting profession.

I am eternally grateful to Rick Telberg, CEO of CPATrendlines, who saw the books in me nearly four years ago when I met him face-to-face for the first time. True to his business venture, CPATrendlines, he demonstrated an uncanny ability to see useful trends in my thinking trends. This book is a dream come true because of Rick’s inspirational friendship and guidance.

– Hitendra R. Patil

– 9 –

About the Author

Hitendra R. Patil explores how insights from behavioral economics apply to the tax and accounting profession. His findings have enriched lives and businesses of many professionals.

Patil, who holds advanced degrees in business and science, has lived nearly 25 years of his working life entirely in technology-driven businesses, mostly in the financial services industry. He has donned many hats – from clerical



beginnings to C-level executive positions, climbing the corporate ladder; from doing to getting things done; from process task decisions to financial risk analysis; from operations to business development to marketing to sales to technology to human resources management. Everything has contributed to a mind deeply trained on how to help people achieve their potential and transform their lives.

He has been working professionally with accountants and CPAs for over a decade as the leader of a company producing work for accountants and tax professionals, day-in, day-out, giving him rare insight and perspective on the industry's challenges and opportunities.

Contents

Dedication	5
Acknowledgments	9
About the Author	11
1. Who Is an Accountaneur®?	17
2. How to Use This Book	19
Part 1. The Accountaneurial Advantages	21
3. Why Accounting?	23
4. Do You Want a Practice... or a Business?	27
5. Accountants and Six Fundamental Human Needs	31
6. Four Leadership Strengths that Define Accountants	35
7. Top 10 Entrepreneurial Traits of Successful Accountants	37
8. The Eight Traits Creating the Firm of the Future Today	41
10. What CPA Firms Could Learn from Google’s Alphabet.....	49
11. 4 Pillars of Future Firm Foundation.....	53
12. Ten Things You Didn’t Worry about Ten Years Ago.....	55
13. Savvy CPAs Focus on the Constants	57
14. Why Accountants Could Be the Happiest People on Earth	61
Part 2. Winning New Clients Is a Mind Game.....	65
15. Six Secret Keys to the Mind of the Entrepreneur	67
16. Client Satisfaction Starts with ‘Likeability’	71
17. Overcoming Your Clients’ Worst Fears	73
18. What Shopping Habits Reveal about Accounting Clients	75
19. The Only Three Ways Accountants Earn an Entrepreneur’s Trust.....	79

20. The One Thing Your Clients Really Want	81
21. Do You Make Your Clients Feel Safe?	85
22. The 5 Most Common Marketing Blunders	89

Part 3. Riding the Technology Wave 93

23. You Don't Think Technology Helps Get New Clients?.....	95
24. Four Signs the Uberization of Accounting Has Already Begun	99
25. 'Uberizing' Means More Than Technology.....	103
26. How the "1099 Economy" Is Transforming Accounting	107
27. Three Apps to Automate Business Networking.....	113
28. What If Accounting Firms Were Apps?	115
29. Three Ways Amazon's New Phone Hints at the Future.....	119
30. A Case Study in Using LinkedIn	121

Part 4. Making More Every Minute 125

31. Tax Season Tips: Train Your Brain to Focus.....	127
32. Tax Season Management: Multi-Tasking Is a Myth	129
33. Six Steps for a Better Tax Season	133
34. Create Your "Not-To-Do's" List.....	135
36. Nine Things You Need to Do to Avoid Being Overworked	139
37. Can You Escape this Crazy Eight Trap at Your Firm?	141

Part 5. The Generational War You Want to Win..... 145

41. Can Accounting Firms Lead with Work-Life Vision?	147
43. 5 Reasons Gen Y Will Make or Break Your Firm.....	153
44. 8 Seconds into the Future: Meet Generation Z.....	155
45. Management Guru Chester Elton on Success	157

Part 6. How to Respond to New Disruptive Competition..... 161

46. Threat or Opportunity?163
47. Sound Off on Liberty and H&R Block Plans167
48. Independents Face 3 Options171
49. What the Bitcoin Phenomenon Means for Accountants173
50. Five Things Accountants Need to Know about Bitcoin.....175
51. Stop Trying to Create Value That’s Not Appreciated177

Part 7: Growth Is Where Your Mind Is 179

50. Five Stealth Growth Strategies Accountants Are Using Now181
51. Seven Questions for Every Accountant.....183
52. Three Keys to Mega Bucks185
53. Decide to be Decisive187

1. Who Is an Accountaneur®?

Think different.

Compare yourself with any accountant in your area. You both have similar educational qualifications. You both have similar experience. You both use similar software applications. You both have similar tools and skills. The profiles of your clients are almost similar. So what differentiates you from others?

It is how you think. How do entrepreneurial accountants think? Taking a cue from several research studies across different professions and industries that identify traits, strengths, talents, skills, values and beliefs, we tried to identify the most common attitudes and beliefs of successful accountants who can be deservedly called as entrepreneurs in the true sense of the word.

Dictionary: Entrepreneur

[ahn-truh-pruh-nur, -noo r; French ahn-truh-pruh-nœr]

1. a person who organizes and manages any enterprise, especially a business, usually with considerable initiative and risk.
2. an employer of productive labor; contractor.

Celebrity Author T. Harv Eker¹ defines entrepreneur as: “a person who solves problems for people for profit or for pay.” Using these perspectives about the word “entrepreneur,” let us try to define what or who an Accountaneur is.

An Accountaneur® is: an entrepreneur whom, with considerable initiative and risk, organizes and manages a business that provides tax, accounting and advisory services to solve problems for people for profit or for pay, by employing productive labor and technologies. So, the difference between an Accountaneur® and an accountant lies in his or her traits, strengths, talents, skills, values and beliefs.

There are three types of people in the professional world. Those who work for others, i.e. in a job. Those who work for themselves, i.e. who create a job for themselves. And those who create jobs for others. An Accountaneur® either works for him or herself or is the one who creates

¹ <http://www.harveker.com/>

jobs for others in the tax and accounting profession.

Are you an Accountaneur®? If you work for yourself or if you have created jobs for others in the tax and accounting profession, you are an entrepreneur, rather an Accountaneur®. You are an Accountaneur® if you chose not take up a job, but chose instead to create a business.

Starting your own business was not just a flip of a coin decision. Several thoughts went into that decision. Your thoughts defined your actions. And your actions defined your craft. Through extensive research, we have uncovered the common factors that foster entrepreneurial thinking in the accounting profession.

From the various definitions of entrepreneurship, two of the most succinct ones we've found are: (1) "Entrepreneurship is the pursuit of opportunity without regard to resources currently controlled," according to Professor Howard Stevenson at Harvard Business School. And (2) "Imagining new ends, using a given set of means," according to Professor Saras D. Sarasvathy, Darden School of Business at the University of Virginia.

Isn't it an intriguing paradox? How does one think of new ends and hence new opportunities, when resources are not adequate? In other words, given a similar situation and similar resources, entrepreneurs think differently. Accountaneurs®, therefore, think differently from accountants.

2. How to Use This Book

We didn't say read this book.

We are saying use this book. Because, we know that you, the Accountaneur® will derive actionable insights from this book and implement them in your practice.

When we meet truly entrepreneurial accountants, we feel and sense their different ways of thinking; how they perceive the same situations differently to find opportunities in what others perceive as threats; how they take considerable initiative and risk, etc. And we figured out that there is a common pattern in their thinking.

This book contains diverse topics ranging from human behavior science insights, to how new technologies are transforming human life (including technologies not from accounting industry), to the impact of generational differences on the future of firm. Each topic is an easy, quick read and you do not need to read the book at one go or several pages in a sitting. You can take any chapter as you like and think of how will you leverage the content to grow your practice.

The author will be happy to discuss thoughts and questions from as many readers as humanly possible. You can email your thoughts, with specific questions you may, have to hitendra@accountaneur.com.

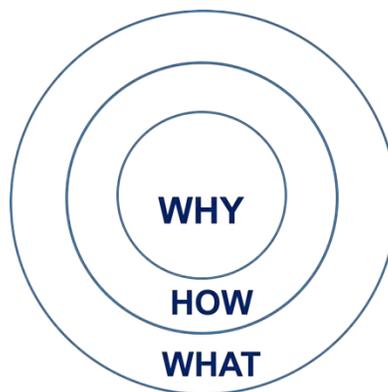
Once you have read a chapter, make your own notes relevant to the current situation of your practice. Then look at it as if you had your dream practice right now. You may notice a stark contrast between your current state and future vision. And when you identify that difference, work backwards to make a to-do list of action points that will take you to your desired future.

3. Why Accounting?

Your clients want to know your “why.”

Consider the notion that people don't buy what you do, they buy why you do it. We are used to getting asked “What do you do for living?” But when someone asks “Why,” we have to dig deeper to answer that question.

Celebrity author Simon Sinek wrote a revolutionary book called “Start with Why.” He says, based on complex research results, “People don't buy what you do, they buy why you do it.” He further adds, “those who know their why are the ones who lead.”



Sinek came up with what he calls The Golden Circle. Three circles – a circle within a circle within a circle. The outside circle is “What,” the second circle is “How,” and the innermost is “Why.”

Sinek further says go from the inside out instead of from outside in. Start with Why.

The Why: it's your core belief, which inspires you to do what you do

The How: the specific actions you take to convert your Why into reality

The What: the tangible results from your action, which people see as proof of your acting on your Why

Sinek cites Apple as an example. He says Apple starts with “a purpose, cause or belief that has nothing to do with what they do.” Companies and organizations with a clear sense of why never worry about the challenge of differentiation. They don't think of themselves as being like anyone else and they don't have to convince anyone of their value. They are different and everyone knows it. They start with why in everything they do.

Apple says, “In everything we do, we believe in challenging the status quo. The way we challenge the status quo is by making our products beautifully designed, simple to use and user-friendly. And we happen to make great computers.” That's the why, the how and the what.

How do accounting firms express what they do? Most firms' websites show a curious commonality in explaining what they do.

6. Four Leadership Strengths that Define Accountants

How clients value the intangibles.

“What leader has the most positive influence in your daily life?”

The answers to that Gallup Poll question may be astoundingly important for CPAs who strive to make a positive difference in the lives of their clients.

Here’s why: CPAs already possess the authority and position to exercise the type of leadership with clients that can make a tangible and practical difference on a day-to-day basis. In a second question, Gallup asked respondents to list the words that best describe what that leader contributed to their lives. Then Gallup boiled down the words into four categories, each clearly important to practicing accountants:

Trust (i.e.: honesty, integrity and respect): Clients expect to see an accounting firm as an honest entity. They want to experience integrity in all their transactions with the firm. They respect accountants for their knowledge, wisdom and expertise. And they trust their accountant can guide them through business or financial challenges.

Compassion (i.e.: caring, friendship, happiness and love): For many accountants I know, their greatest joys come from knowing they touched a client’s life in some way. The challenge, of course, is creating the *compassionate culture* across the firm.

Stability (i.e.: security, strength, support and peace): You thought IT security was a necessary evil? Just the knowledge that your systems and processes are secure and safe gives your clients a tremendous sense of stability. It takes away their worries. Note the word “peace.” Peace of mind is not something that emerges from just one act. It is a comprehensive thing.

Hope (i.e.: direction, faith and guidance): This is the North Star phenomenon that many firms can simply miss in day-to-day drudgery. A leader is a dealer of hope. Accountants provide direction and guidance to keep alive clients’ hopes of better financial lives.

Clients already expect their CPA to be a leader in their lives. CPAs merely need to fill the role.

9. The One Word that Can Make Accountants Rich

How to see success through the client's eyes.

Really? Can just one word make you rich? You must be kidding! Hang on a second!

Because the meaning of “success” varies from person to person before we unpack that one (magical) word, we need to agree on what is meant by success. According to a National Success Project Survey, which was conducted to determine what success means to Americans today, a whopping 90 percent believe that success is more about happiness.

- For every 2 out of 3 surveyed Americans, success means: “Achieving personal goals” and “good relationships with friends and family.”
- Three out of 5 surveyed people said success is: “Loving what you do for a living.”
- Only 1 out of 5 equated success with monetary wealth.

But success might mean something different to accountants: Their own success, and that of their clients.

Achieving personal goals:

In a service business, our own achievements are directly integrated with the achievements of those we serve. It is impossible for an accountant to be successful if his/her clients are making losses or not making enough progress.

Therefore, for an accountant to achieve personal goals, the accountant wants to help clients achieve theirs. Does that give you a hint toward that magical one word that can make you successful?

Good relationships with friends and family:

Relationships are like farming or gardening. You have to give them care and attention. It takes nurturing efforts. That needs time.

12. Ten Things That Accountants Didn't Need to Worry about Ten Years Ago

Now, what do you do about it?

There is a shift in how people make their buying decisions and actually how they buy. Accordingly, there is a total transformation how people sell their products and services. And it's impacting the CPA business in at least 10 ways:

- 1. Social Media:** Ten years ago, “media” was some music that all of you enjoyed at “social” events like weddings, parties or maybe pubs. Now if your firm is not on Facebook, Twitter, LinkedIn and even Instagram, your firm might be facing the music.
- 2. Customer Ratings:** Ten years ago, you got referrals due to word-of-mouth customer ratings. You probably lost a few clients because of the same thing. But now you can get or lose customers without any referral as they can see your independently authenticated customer ratings on several websites.
- 3. Cloud:** Ten years ago, you were annoyed by clouds that blocked the view of the stars and full moon at a late evening open-air dinner with your loved ones. Now you can get annoyed by cloud (software) in the daytime, at your office and at your home.
- 4. Software Costs:** Ten years ago, you paid once for software and maybe a little more for annual updates. Now you pay every month. Being an accountant, you suddenly see break-even time and total cost of ownership being quite a challenge, most likely because you may not have built these changes into your pricing.
- 5. Handheld Devices:** Ten years ago, clients and staff came to your location. Now your firm has to go to the client and many times, even to your staff's location! This has its challenges of coordination management.
- 6. Non-Local Competition:** Ten years ago, you were worried about the firm next door or down the street. Now you are worried about your competitor from 400 or 4,000 miles away.
- 7. No One Else Can Do What You Can Do:** Ten years ago, people came

15. Six Secret Keys to the Mind of the Entrepreneur

And how accountants can leverage them to be trusted advisors.

It's said that accountants are the trusted advisors of their clients. But in reality it's a myth – as far as business owner clients are concerned.

Peer groups, associations, similar business owners, people from the same industry... Entrepreneurs don't listen to anyone else who has not been there, done that. They may hear. But they rarely listen.

After talking to several business owners about what they expect from their accountants, we figured out six key insights into how entrepreneurs think. It goes back to what Simon Sinek was saying in an earlier chapter about the “what,” “how,” and “why” of business.

1. Entrepreneurs understand only their own. Entrepreneurs are driven. They are in pursuit of their dream. They are in their own world. They have jumped in the water because they are passionate about their aim. As an accountant, you can only try to tell them the big challenges in their accounts. When you do so, they will become even more driven. It's not about presenting accounts at all. So what can you do?

It's about first understanding their “why,” their passion, and then telling them if they are closer to achieving their dream or actually drifting away from it. That will make them feel you are their trusted advisor.

2. Entrepreneurs don't select from choices. Steve Jobs created the iPod, iPhone and iPad, when none existed before. He created a choice. Accounting information can show some choices to them to control or augment what they already have, such as losses or profits. But it cannot create a choice. More likely than not, they will look at this information, say hmm... And then they may ask for more details and logic. And then they will simply do what they want. They will create new choices so that their current challenges are overcome or do not recur. So what can you do?

As an accountant, you may be well advised to just tell them that the situation demands for them to create some more choices. Don't tell them the what. Such as, “you need to reduce your overhead.” Instead, tell them the why. “Look, you are making no money because your overhead is too high.”

19. The Only Three Ways Accountants Earn an Entrepreneur's Trust

Deliver these three results to ensure practice success.

Entrepreneurs deal with uncertainty all the time. And they look to accountants to deliver them some kind of certainty in those uncertainties. When accountants consistently deliver an ability for entrepreneurs to navigate their uncertainties in a better way, accountants earn their trust.

There are only three ways accountants earn entrepreneur's trust...

1. Past: When you help entrepreneurs know how they (really) did

This is the traditional financial statements and tax services outcome. Entrepreneurs hire accountants to get an unbiased and compliant view of their business. It is a rearview mirror action, but entrepreneurs want to know from an expert that their numbers are accurate and whether they are going to pay only the fair share of taxes. They rely on accountants to ensure that satisfaction. Entrepreneurs trust the accountants to do an unbiased job, in accordance to the law.

2. Present: When you help entrepreneurs manage their reputation and continuity in business

This may sound strange at first. But when entrepreneurs want accountants to help them with budgets, cost accounting, cash flow planning and management, tax planning, etc., they are actually seeking to protect their reputation and manage business continuity.

No smart entrepreneur will ever want to have continued delays in payments to vendors and employees. They know an impeccable financial reputation in the market brings them advantages of lower interest rates, better pricing from vendors and attracting talent to their companies. It has a direct impact on their bottom line and the money they make at the end of the day. For example, they want to know what they need to do to ensure they remain in business. For instance: how to reduce slow-moving inventory to release operating cash.

23. You Don't Think Technology Helps Get New Clients?

Turn “necessary evil” into “welcome angel.”

“New clients do not come to me because I have accounting software,” the owner of a small Los Angeles firm was telling me. “They hire me because I am a CPA.”

Does that summarize how accountants view technology spending? The Accounting Firm Operations and Technology Survey (available from CPA Trendlines) gives us a surprising insight into how primary technology purchasing decision-makers view technology spending.

Key findings indicate:

- Nearly one in six accountants thinks technology investments are revenue-neutral.
- One in two accountants thinks technology helps them differentiate themselves from their competition.
- Nearly two in five accountants think of technology as an expense.

But larger firms view technology as a competitive differential twice as often as smaller firms.

Technology investments are treated as an asset on the balance sheet but more likely viewed as an expense. Off-the-shelf computer software may be eligible for a Section 179 deduction, but this paradox of asset versus expense is likely to increase as more and more software moves to the cloud and accountants become subscribers paying monthly fees rather than users buying licenses.

Tax and accounting technicalities aside, the bigger challenge is evident in how accountants view technology as a necessary evil. It is more likely seen as a cost of doing business rather than an investment for creating a business.

One huge factor in creating this view could be how technologies are marketed by vendors. It is not uncommon to hear technology sales pitches that claim to save time and money. Ever heard of a technology that claims to make time and money?

27. Three Apps to Automate Business Networking

New technologies harvest social media data, suggest how to write the perfect follow-up email, and schedule appointments.

Have you found yourself attending a networking meeting and spending most of the time with just one or two persons you already know? You are not alone. It's challenging to get the communication started and to keep it going. It is an even more daunting task to make killer impressions and walk out with connections that will help you and your business.

But that's where new technology comes into the picture. You don't have to be the best-dressed person in the room, nor the smoothest talking or most knowledgeable. You just need to have the right apps. From thousands of apps and websites that I have personally tested, here are three that could make you a networking hero.

1. Before Meeting: Use CharlieApp

CharlieApp (charlieapp.com) compiles one-page summaries on the people you're about to meet with, before you see them. An hour before every meeting in your calendar, Charlie makes sure you walk in with the intelligence you need to make a killer impression: Breaking news on their company, the passions and hobbies you both had no clue you shared, their professional history, and much more. You get Charlie's insights by email, you can see them on your cell phone inside the CharlieApp or online. Don't have a meeting scheduled? You can simply request insights on any person on the CharlieApp website and the report about that person is ready within minutes. Great for conversation starters. For example, before a call to a senior partner at one firm, CharlieApp showed me news about a bunch of new recruitments there. I started the call with that news and I could feel the excitement and happiness in his voice.

2. To resonate well with others: Use CrystaKnows

CrystaKnows (Register for free here: goo.gl/KdnBCv) is an awesome technology that combines social media curation with psychological assessments to tell you about the personality traits of people you want to know about, and suggest what to write, how to write and what to say to them. It is simply astonishing technology. It integrates with Gmail so right inside Gmail you can get full guidance on how to write to that person. It

33. Six Steps for a Better Tax Season

How some smart firms spent their summer vacations.

When a new busy season is fast approaching and vacation season is coming to an end, you may notice that some firms haven't been taking time off. They've been assessing the lessons from last busy season to apply to the next busy season.

Here are six of the things that the most innovative firms have been doing. And no, they aren't what you might necessarily expect.

1. Niche Identification

Every now and then technology and laws change, which inevitably uncover new opportunities in the marketplace. Visionary firms and aggressively ambitious accountants find such changes, and discover how to make the most of such changes by creating niche services or products around such changes, before others.

2. Trend-spotting

Tax season is like being in another world, more often than not pretty detached from the world around. Most technology providers that cater to accounting professionals work hard during tax season to get ready with new features, products and processes. Immediately after the tax season, all of these new things come to market. Progressive firms step out and look for the cool new innovations and try them out. Pioneers identify trends and ride them, even if it means risking some of their time and profits. Visionary firms try new trends early.

3. Increase Client Interactions

One of the top reasons accounting firms lose clients is communication — rather, lack of it. And hence, contrary to the popular belief, it is not just during the tax season that leading firms follow up with clients. After the tax season, savvy firms use the tax season after-glow to build stronger relationships. The clients of such firms generally do not say, "I meet my accountant only once a year."

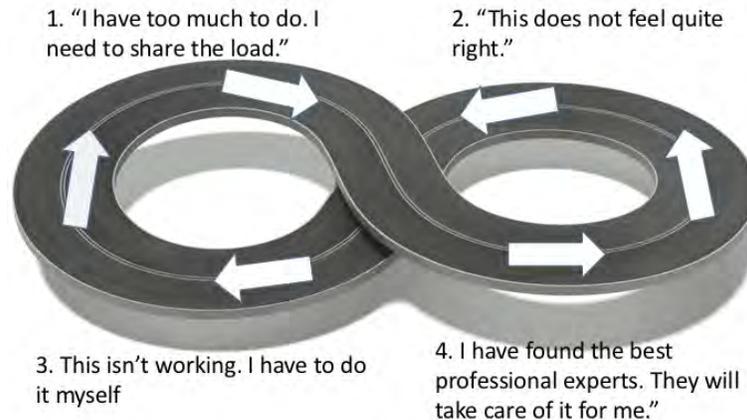
4. Rethink Business Models

Why change what has worked for years? Leading firms don't think so. They

37. Can You Escape this Crazy Eight Trap at Your Firm?

Eighty percent of business leaders fall into a common trap called the “Crazy Eight.” They try to delegate, but quickly get frustrated and take back responsibility. They become overwhelmed as they try to do too much themselves, get stuck in the day-to-day issues, and end up becoming the bottleneck in their company. Then they go round this Crazy Eight again and again.”

Is your firm too endlessly running through this Crazy Eight trap?



The Crazy Eight was devised by consultant Steve Tappin, CEO of the Xinfu consulting firm and a BBC TV host. He says “resisting the temptation to micro-manage is one of the hardest leadership skills to learn.”

How Can You and Your Firm Escape the Crazy Eight Trap?

In physics, escape velocity is the speed at which the kinetic energy, plus the gravitational potential energy of an object, is zero. It is the speed needed to break free from the gravitational attraction of a massive body, without further propulsion. A rocket moving out of a gravity field does not actually need to attain escape velocity to do so, but could achieve the same result at any speed with a suitable mode of propulsion and sufficient fuel.

So, if you too are endlessly going round and round in this Crazy 8 Trap, you want that “escape velocity” or “a suitable mode of propulsion” and “sufficient fuel.”

47. Readers Sound Off on Liberty, H&R Block Plans to Launch Bookkeeping Services

New strategic ally, or competitive threat?

Practitioners are actively debating the effects and impact of H&R Block and Liberty jumping into the bookkeeping business.

“This is an opportunity to highlight quality,” says Wesley Middleton, head partner at Middleton Raines in Houston. “The only person who has something to worry about are those that are only focused on price.”

Not all practitioners agree in the discussion which began at cpatrendlines.com and has spilled onto the 40,000-member CPA Trendlines LinkedIn group.

“What a wonderful opportunity for bookkeepers to start working with their local H&R Block or Liberty branch on a sub-contracted basis to provide bookkeeping services for them,” says Dean Allan of BookPals in Australia, where H&R Block is a familiar sight. They are “usually small, local offices, with a couple of accountants providing tax return services and one or two office staff providing support and administration services to the accountants.”

Allan points out that it will likely be support staff who collate client data. “This raises the age-old problem that all bookkeepers face: The support staff are limited to the number of records they can process based on how many hours a day they can find to carry out bookkeeping services. So, what does the H&R Block office do? Employ more support staff and face the added overhead associated with employing new staff, or start looking for local bookkeepers to help them on a contracted basis with the increased workload?”

Allan says, “If I was a bookkeeper in the U.S. I would be arranging to take my local H&R Block and Liberty Tax Service business owner out for a cup of coffee as soon as possible, because I think there is a wonderful opportunity to increase, not lose business with this announcement.”

Katrina Geety, CPA, president of Geety, Blair & Araya and founder of

50. Five Stealth Growth Strategies Accountants Are Using Now

I love asking accountants, What are you doing differently this year to bring in more clients? I've asked hundreds, maybe thousands, of accountants that question over the years. I love the answers.

Notice the word “differently.” Here are the top five stealth growth strategies accountants are using right now to grow their practice. Why are we calling these “stealth” strategies? Because not many people at these firms or the clients of these firms were aware of what they were doing until things actually happened. It's stealthy, because even competitors couldn't know about it.

1. Buying.

We were told by so many CPAs that they are buying someone else's practice that we feel it is one of the most common strategies now. And these “buyers” are not mid-sized or large firms. Many solo practitioners are buying others out. With many older CPAs retiring, buying another practice is an attractive choice for even the smallest firms.

2. Embracing the Shared Economy.

Getting and retaining talented staff are among the top issues for firms of all sizes. Understandably, salaries for the best talent are at historic highs. So how are smaller firms adjusting to this new reality? They are embracing the “1099 Economy” or the Shared Economy wave. They are aggressively using outsourcing as a strategy to overcome staff turnover and the staffing shortage challenge. They are also engaging more temporary workers on a regular basis to manage growth in business volume. This is also a definite shift towards accountants valuing their own time more carefully and achieving a better work-life balance.

3. Head over hands.

It is not uncommon to hear from accountants that they are fully in the cloud. With a huge jump in third party software that neatly integrates with accounting and tax platforms, automation of data processing is on the

upswing. Bank feeds are getting automatically imported into accounting software more and more. With that, the shift towards selling interpretations and insights is visible. Accountants are more and more intent in using their heads than their hands to reduce longer working hours, while boosting their incomes.

4. Special focus on being a specialist.

There are riches in the niches. Everyone seems to know this but there was always the fear that if we don't sell everything to anyone and everyone, we'll lose that business. No more. While the standard list of services is as before, you can easily find that many CPA firm websites now displaying industries as the key navigation link. This is because of two key reasons: 1) accountants are indeed becoming specialists in certain chosen industries so that they can offer deeper insights to their clients, at premium fee rates, of course, and 2) geographical boundaries are being aggressively destroyed by cloud technologies.

5. Getting clients to chase accountants, not the other way around.

We are hearing from more accountants than ever before that they are investing in technologies that help them get found by the prospects online. The strategy, named inbound marketing, is being implemented by almost all rapidly growing firms. And the costs of inbound technology implementations have come down significantly as more and more marketing professionals have made that as their business.

53. Decide to be Decisive

Decisiveness defines success in Accounting: Firms of all sizes agree.

Wisdom, they say, does not fail the test of time.

"Think and Grow Rich," a path-breaking book published in 1937, was based on the results of more than twenty years of research of a large number of individuals who achieved great wealth during their lifetimes. The author, Napoleon Hill, wrote:

“Analysis of several hundred people who had accumulated fortunes well beyond the million-dollar mark, disclosed the fact that every one of them had the habit of reaching decisions promptly, and of changing these decisions slowly, if, and when they were changed. People who fail to accumulate money, without exception, have the habit of reaching decisions, if at all, very slowly, and of changing these decisions quickly and often”.

Our research with CPA Trendlines into “The Essential Success Traits of Entrepreneurial Accountants” shows that accountants rate "decisiveness" as the single most important success trait. And it is not just about “thinking” to grow rich. It is about the day-to-day experience of accountants at the more than 500 firms surveyed.

While smaller firms (solo practitioners and those with up to ten persons) were usually less decisive compared to other firms, these smaller firms also rated themselves to be less decisive compared to others at similar sized firms.

The results indicate, not so surprisingly, that as firm size grows, decisiveness keeps increasing. Actually, it is the other way around. It is *because* of decisiveness, that the firms grow.

But, after reaching the coveted 500-person mark, firms tend to think that they are less decisive and that others are far more—nearly twice—decisive than them.

Not only do the large firms rate their own decisiveness lower than firms of all other sizes, they also say others are twice as decisive as they are. With meticulously devised processes, defined by much larger experience in handling work and projects, the latest technologies and powerful resource capabilities, one would expect that large firms must be more decisive than others. We therefore decided to dig in further for insights from the participants with more than 500 persons in their firms.

About the Publisher

Tax, accounting and finance professionals worldwide rely on CPA Trendlines to deliver the actionable intelligence they need to identify and act on emerging issues and opportunities.

We specialize in high-quality, concise executive briefings designed to help busy professionals improve their organizations, advance their careers, and enhance their lives. Our reports are relevant, timely and to-the-point, providing only the most essential, most practical, information. Many are readable in under an hour and are immediately actionable.

– *Rick Telberg*
President / CEO
CPA Trendlines
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CPA Trendlines features the advice and experience of the tax and accounting profession's leading experts, consultants, and working practitioners, augmented by real-life case studies, research surveys, checklists, and worksheets.

All the content is carefully chosen and curated by CPA Trendlines' founder and CEO Rick Telberg, who has been working as an analyst, consultant, editor, publisher, commentator and pioneering entrepreneur in the tax and accounting profession since launching AccountingToday in the 1990's. He is also president and CEO of Bay Street Group LLC, the parent company of CPA Trendlines and one of the industry's leading independent research and advisory firms, at baystreetgroup.com.

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– 190 –

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How to Engage Partners in the Firm's Future
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Implementing Fee Increases
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The Radical CPA
What Really Makes CPA Firms Profitable?
Winning Your First Client

– 192 –

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ACCOUNTANEUR[®]

The Entrepreneurial Accountant

By Hitendra R. Patil

Published by CPA Trendlines Research

– 1 –

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ISBN-13: 978-0692709092

ISBN-10: 0692709096

BISAC: Business & Economics / Accounting / General

Advance Praise for Accountaneur®

“Accountants need to be more than just accountants and Hitendra creates a way for accountants to look at themselves. He calls it the Accountaneur®. This book contains a great deal of new thought about what accountants should be doing. It is a required read for all professionals, partners and non-partners. Leaders at accounting firms have a huge responsibility to create a business environment conducive for growth and achievement, not just at their firms, but especially for their clients. Hitendra brings a perspective that helps accounting firm leaders find answers to key questions that will lead to entrepreneurial achievement.”

– *August J. Aquila, CEO, AQUILA Global Advisors LLC,
consultant to professional service firms, author and speaker.*

“What impressed me the first time I met Hitendra is his drive to help others reach their potential. This book does just that. You will learn and appreciate what an important role the accountant plays in our business and personal lives. Hitendra makes the profession come alive. If you are in the accounting profession, or thinking about it, *you must read this book!*”

– *Chester Elton, New York Times best-selling author
of "The Carrot Principle," "All In" and "What Motivates Me"*

“Entrepreneurs create wealth and opportunities for others. Entrepreneurial accountants make it possible for entrepreneurs. *Accountaneur®* is a probing question-bank for accountants who want to be entrepreneurial.”

– *Allan D. Koltin, CPA,
CEO, Koltin Consulting Group Inc.*

– 5 –

Dedication

Behind every successful man, there is a woman. I think behind every entrepreneurial man, there is a woman who makes sacrifices every day. I dedicate this book to my lovely wife, Soni, whose years of encouragement, unflinching support and care, through thick and thin, and the staunch belief in me that I can help people live their true potential, has made it possible for this book to take shape. She has been my sounding board for many of the topics covered in this book, the untiring test-user of my writing, my critic to prune all the gibberish that otherwise would have found its way into my writing, and asking me innocent questions from a reader's perspective—questions that were mighty difficult for me to answer, but which made me focus on delivering value in each of the subjects I touched.

Acknowledgments

Over the last 11 years, several CPAs, Accountants, Bookkeepers, Enrolled Agents, Tax Preparers, QuickBooks ProAdvisors, and other Accounting professionals helped me understand the pulse of the profession. By debating and discussing with me their challenges, they made it possible for me to identify actionable insights. My esteemed clients, ALL firms in the Accounting and Tax profession, are my mentors as well as “practice” expertise creators. Several recognized thought leaders (some of whom I haven’t even met yet) in the profession have shaped my thinking and although it is nearly impractical to name all of them here, I would like to take this opportunity to mention Ron Baker, Tom Hood, Daniel Burrus, Edward Mendlowitz, Allan Koltin, Bill Sheridan, Dan Hood, Mike Cohn, August Aquila, and many others. I have been inspired by the “Accountants of the Future” who chose to create a new path by Uberizing traditional business models of Accounting firms. I have been voraciously reading books for years (my guess is about 700 books by now) and there are many authors who contributed to building my belief systems. Some of them are Peter Drucker, Tom Peters, John Maxwell, Jack Canfield, Dr. Deepak Chopra, Tony Robbins, Dr. Travis Bradberry, Daniel Goleman, and Chester Elton. Jay Abraham’s book “Getting Everything You Can Out of All You’ve Got” firmly put me on the path of bringing wisdom from other professions, industries and segments of knowledge to apply it into the accounting profession.

I am eternally grateful to Rick Telberg, CEO of CPATrendlines, who saw the books in me nearly four years ago when I met him face-to-face for the first time. True to his business venture, CPATrendlines, he demonstrated an uncanny ability to see useful trends in my thinking trends. This book is a dream come true because of Rick’s inspirational friendship and guidance.

– Hitendra R. Patil

– 9 –

About the Author

Hitendra R. Patil explores how insights from behavioral economics apply to the tax and accounting profession. His findings have enriched lives and businesses of many professionals.

Patil, who holds advanced degrees in business and science, has lived nearly 25 years of his working life entirely in technology-driven businesses, mostly in the financial services industry. He has donned many hats – from clerical



beginnings to C-level executive positions, climbing the corporate ladder; from doing to getting things done; from process task decisions to financial risk analysis; from operations to business development to marketing to sales to technology to human resources management. Everything has contributed to a mind deeply trained on how to help people achieve their potential and transform their lives.

He has been working professionally with accountants and CPAs for over a decade as the leader of a company producing work for accountants and tax professionals, day-in, day-out, giving him rare insight and perspective on the industry's challenges and opportunities.

Contents

Dedication	5
Acknowledgments	9
About the Author	11
1. Who Is an Accountaneur®?	17
2. How to Use This Book	19
Part 1. The Accountaneurial Advantages	21
3. Why Accounting?	23
4. Do You Want a Practice... or a Business?	27
5. Accountants and Six Fundamental Human Needs	31
6. Four Leadership Strengths that Define Accountants	35
7. Top 10 Entrepreneurial Traits of Successful Accountants	37
8. The Eight Traits Creating the Firm of the Future Today	41
10. What CPA Firms Could Learn from Google’s Alphabet.....	49
11. 4 Pillars of Future Firm Foundation.....	53
12. Ten Things You Didn’t Worry about Ten Years Ago.....	55
13. Savvy CPAs Focus on the Constants	57
14. Why Accountants Could Be the Happiest People on Earth	61
Part 2. Winning New Clients Is a Mind Game.....	65
15. Six Secret Keys to the Mind of the Entrepreneur	67
16. Client Satisfaction Starts with ‘Likeability’	71
17. Overcoming Your Clients’ Worst Fears	73
18. What Shopping Habits Reveal about Accounting Clients	75
19. The Only Three Ways Accountants Earn an Entrepreneur’s Trust.....	79

20. The One Thing Your Clients Really Want	81
21. Do You Make Your Clients Feel Safe?	85
22. The 5 Most Common Marketing Blunders	89

Part 3. Riding the Technology Wave 93

23. You Don't Think Technology Helps Get New Clients?.....	95
24. Four Signs the Uberization of Accounting Has Already Begun	99
25. 'Uberizing' Means More Than Technology.....	103
26. How the "1099 Economy" Is Transforming Accounting	107
27. Three Apps to Automate Business Networking.....	113
28. What If Accounting Firms Were Apps?	115
29. Three Ways Amazon's New Phone Hints at the Future.....	119
30. A Case Study in Using LinkedIn	121

Part 4. Making More Every Minute 125

31. Tax Season Tips: Train Your Brain to Focus.....	127
32. Tax Season Management: Multi-Tasking Is a Myth	129
33. Six Steps for a Better Tax Season	133
34. Create Your "Not-To-Do's" List.....	135
36. Nine Things You Need to Do to Avoid Being Overworked	139
37. Can You Escape this Crazy Eight Trap at Your Firm?	141

Part 5. The Generational War You Want to Win..... 145

41. Can Accounting Firms Lead with Work-Life Vision?	147
43. 5 Reasons Gen Y Will Make or Break Your Firm.....	153
44. 8 Seconds into the Future: Meet Generation Z.....	155
45. Management Guru Chester Elton on Success	157

Part 6. How to Respond to New Disruptive Competition..... 161

46. Threat or Opportunity?163
47. Sound Off on Liberty and H&R Block Plans167
48. Independents Face 3 Options171
49. What the Bitcoin Phenomenon Means for Accountants173
50. Five Things Accountants Need to Know about Bitcoin.....175
51. Stop Trying to Create Value That’s Not Appreciated177

Part 7: Growth Is Where Your Mind Is 179

50. Five Stealth Growth Strategies Accountants Are Using Now181
51. Seven Questions for Every Accountant.....183
52. Three Keys to Mega Bucks185
53. Decide to be Decisive187

1. Who Is an Accountaneur®?

Think different.

Compare yourself with any accountant in your area. You both have similar educational qualifications. You both have similar experience. You both use similar software applications. You both have similar tools and skills. The profiles of your clients are almost similar. So what differentiates you from others?

It is how you think. How do entrepreneurial accountants think? Taking a cue from several research studies across different professions and industries that identify traits, strengths, talents, skills, values and beliefs, we tried to identify the most common attitudes and beliefs of successful accountants who can be deservedly called as entrepreneurs in the true sense of the word.

Dictionary: Entrepreneur

[ahn-truh-pruh-nur, -noo r; French ahn-truh-pruh-nœr]

1. a person who organizes and manages any enterprise, especially a business, usually with considerable initiative and risk.
2. an employer of productive labor; contractor.

Celebrity Author T. Harv Eker¹ defines entrepreneur as: “a person who solves problems for people for profit or for pay.” Using these perspectives about the word “entrepreneur,” let us try to define what or who an Accountaneur is.

An Accountaneur® is: an entrepreneur whom, with considerable initiative and risk, organizes and manages a business that provides tax, accounting and advisory services to solve problems for people for profit or for pay, by employing productive labor and technologies. So, the difference between an Accountaneur® and an accountant lies in his or her traits, strengths, talents, skills, values and beliefs.

There are three types of people in the professional world. Those who work for others, i.e. in a job. Those who work for themselves, i.e. who create a job for themselves. And those who create jobs for others. An Accountaneur® either works for him or herself or is the one who creates

¹ <http://www.harveker.com/>

jobs for others in the tax and accounting profession.

Are you an Accountaneur®? If you work for yourself or if you have created jobs for others in the tax and accounting profession, you are an entrepreneur, rather an Accountaneur®. You are an Accountaneur® if you chose not take up a job, but chose instead to create a business.

Starting your own business was not just a flip of a coin decision. Several thoughts went into that decision. Your thoughts defined your actions. And your actions defined your craft. Through extensive research, we have uncovered the common factors that foster entrepreneurial thinking in the accounting profession.

From the various definitions of entrepreneurship, two of the most succinct ones we've found are: (1) "Entrepreneurship is the pursuit of opportunity without regard to resources currently controlled," according to Professor Howard Stevenson at Harvard Business School. And (2) "Imagining new ends, using a given set of means," according to Professor Saras D. Sarasvathy, Darden School of Business at the University of Virginia.

Isn't it an intriguing paradox? How does one think of new ends and hence new opportunities, when resources are not adequate? In other words, given a similar situation and similar resources, entrepreneurs think differently. Accountaneurs®, therefore, think differently from accountants.

2. How to Use This Book

We didn't say read this book.

We are saying use this book. Because, we know that you, the Accountaneur® will derive actionable insights from this book and implement them in your practice.

When we meet truly entrepreneurial accountants, we feel and sense their different ways of thinking; how they perceive the same situations differently to find opportunities in what others perceive as threats; how they take considerable initiative and risk, etc. And we figured out that there is a common pattern in their thinking.

This book contains diverse topics ranging from human behavior science insights, to how new technologies are transforming human life (including technologies not from accounting industry), to the impact of generational differences on the future of firm. Each topic is an easy, quick read and you do not need to read the book at one go or several pages in a sitting. You can take any chapter as you like and think of how will you leverage the content to grow your practice.

The author will be happy to discuss thoughts and questions from as many readers as humanly possible. You can email your thoughts, with specific questions you may, have to hitendra@accountaneur.com.

Once you have read a chapter, make your own notes relevant to the current situation of your practice. Then look at it as if you had your dream practice right now. You may notice a stark contrast between your current state and future vision. And when you identify that difference, work backwards to make a to-do list of action points that will take you to your desired future.

3. Why Accounting?

Your clients want to know your “why.”

Consider the notion that people don't buy what you do, they buy why you do it. We are used to getting asked “What do you do for living?” But when someone asks “Why,” we have to dig deeper to answer that question.

Celebrity author Simon Sinek wrote a revolutionary book called “Start with Why.” He says, based on complex research results, “People don't buy what you do, they buy why you do it.”

He further adds, “those who know their why are the ones who lead.”

Sinek came up with what he calls The Golden Circle. Three circles – a circle within a circle within a circle. The outside circle is “What,” the second circle is “How,” and the innermost is “Why.”

Sinek further says go from the inside out instead of from outside in. Start with Why.

The Why: it's your core belief, which inspires you to do what you do

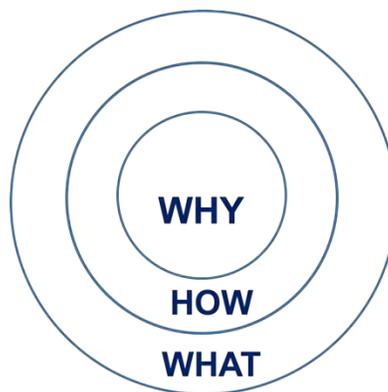
The How: the specific actions you take to convert your Why into reality

The What: the tangible results from your action, which people see as proof of your acting on your Why

Sinek cites Apple as an example. He says Apple starts with “a purpose, cause or belief that has nothing to do with what they do.” Companies and organizations with a clear sense of why never worry about the challenge of differentiation. They don't think of themselves as being like anyone else and they don't have to convince anyone of their value. They are different and everyone knows it. They start with why in everything they do.

Apple says, “In everything we do, we believe in challenging the status quo. The way we challenge the status quo is by making our products beautifully designed, simple to use and user-friendly. And we happen to make great computers.” That's the why, the how and the what.

How do accounting firms express what they do? Most firms' websites show a curious commonality in explaining what they do.



6. Four Leadership Strengths that Define Accountants

How clients value the intangibles.

“What leader has the most positive influence in your daily life?”

The answers to that Gallup Poll question may be astoundingly important for CPAs who strive to make a positive difference in the lives of their clients.

Here’s why: CPAs already possess the authority and position to exercise the type of leadership with clients that can make a tangible and practical difference on a day-to-day basis. In a second question, Gallup asked respondents to list the words that best describe what that leader contributed to their lives. Then Gallup boiled down the words into four categories, each clearly important to practicing accountants:

Trust (i.e.: honesty, integrity and respect): Clients expect to see an accounting firm as an honest entity. They want to experience integrity in all their transactions with the firm. They respect accountants for their knowledge, wisdom and expertise. And they trust their accountant can guide them through business or financial challenges.

Compassion (i.e.: caring, friendship, happiness and love): For many accountants I know, their greatest joys come from knowing they touched a client’s life in some way. The challenge, of course, is creating the *compassionate culture* across the firm.

Stability (i.e.: security, strength, support and peace): You thought IT security was a necessary evil? Just the knowledge that your systems and processes are secure and safe gives your clients a tremendous sense of stability. It takes away their worries. Note the word “peace.” Peace of mind is not something that emerges from just one act. It is a comprehensive thing.

Hope (i.e.: direction, faith and guidance): This is the North Star phenomenon that many firms can simply miss in day-to-day drudgery. A leader is a dealer of hope. Accountants provide direction and guidance to keep alive clients’ hopes of better financial lives.

Clients already expect their CPA to be a leader in their lives. CPAs merely need to fill the role.

9. The One Word that Can Make Accountants Rich

How to see success through the client's eyes.

Really? Can just one word make you rich? You must be kidding! Hang on a second!

Because the meaning of “success” varies from person to person before we unpack that one (magical) word, we need to agree on what is meant by success. According to a National Success Project Survey, which was conducted to determine what success means to Americans today, a whopping 90 percent believe that success is more about happiness.

- For every 2 out of 3 surveyed Americans, success means: “Achieving personal goals” and “good relationships with friends and family.”
- Three out of 5 surveyed people said success is: “Loving what you do for a living.”
- Only 1 out of 5 equated success with monetary wealth.

But success might mean something different to accountants: Their own success, and that of their clients.

Achieving personal goals:

In a service business, our own achievements are directly integrated with the achievements of those we serve. It is impossible for an accountant to be successful if his/her clients are making losses or not making enough progress.

Therefore, for an accountant to achieve personal goals, the accountant wants to help clients achieve theirs. Does that give you a hint toward that magical one word that can make you successful?

Good relationships with friends and family:

Relationships are like farming or gardening. You have to give them care and attention. It takes nurturing efforts. That needs time.

12. Ten Things That Accountants Didn't Need to Worry about Ten Years Ago

Now, what do you do about it?

There is a shift in how people make their buying decisions and actually how they buy. Accordingly, there is a total transformation how people sell their products and services. And it's impacting the CPA business in at least 10 ways:

- 1. Social Media:** Ten years ago, “media” was some music that all of you enjoyed at “social” events like weddings, parties or maybe pubs. Now if your firm is not on Facebook, Twitter, LinkedIn and even Instagram, your firm might be facing the music.
- 2. Customer Ratings:** Ten years ago, you got referrals due to word-of-mouth customer ratings. You probably lost a few clients because of the same thing. But now you can get or lose customers without any referral as they can see your independently authenticated customer ratings on several websites.
- 3. Cloud:** Ten years ago, you were annoyed by clouds that blocked the view of the stars and full moon at a late evening open-air dinner with your loved ones. Now you can get annoyed by cloud (software) in the daytime, at your office and at your home.
- 4. Software Costs:** Ten years ago, you paid once for software and maybe a little more for annual updates. Now you pay every month. Being an accountant, you suddenly see break-even time and total cost of ownership being quite a challenge, most likely because you may not have built these changes into your pricing.
- 5. Handheld Devices:** Ten years ago, clients and staff came to your location. Now your firm has to go to the client and many times, even to your staff's location! This has its challenges of coordination management.
- 6. Non-Local Competition:** Ten years ago, you were worried about the firm next door or down the street. Now you are worried about your competitor from 400 or 4,000 miles away.
- 7. No One Else Can Do What You Can Do:** Ten years ago, people came

15. Six Secret Keys to the Mind of the Entrepreneur

And how accountants can leverage them to be trusted advisors.

It's said that accountants are the trusted advisors of their clients. But in reality it's a myth – as far as business owner clients are concerned.

Peer groups, associations, similar business owners, people from the same industry... Entrepreneurs don't listen to anyone else who has not been there, done that. They may hear. But they rarely listen.

After talking to several business owners about what they expect from their accountants, we figured out six key insights into how entrepreneurs think. It goes back to what Simon Sinek was saying in an earlier chapter about the “what,” “how,” and “why” of business.

1. Entrepreneurs understand only their own. Entrepreneurs are driven. They are in pursuit of their dream. They are in their own world. They have jumped in the water because they are passionate about their aim. As an accountant, you can only try to tell them the big challenges in their accounts. When you do so, they will become even more driven. It's not about presenting accounts at all. So what can you do?

It's about first understanding their “why,” their passion, and then telling them if they are closer to achieving their dream or actually drifting away from it. That will make them feel you are their trusted advisor.

2. Entrepreneurs don't select from choices. Steve Jobs created the iPod, iPhone and iPad, when none existed before. He created a choice. Accounting information can show some choices to them to control or augment what they already have, such as losses or profits. But it cannot create a choice. More likely than not, they will look at this information, say hmm... And then they may ask for more details and logic. And then they will simply do what they want. They will create new choices so that their current challenges are overcome or do not recur. So what can you do?

As an accountant, you may be well advised to just tell them that the situation demands for them to create some more choices. Don't tell them the what. Such as, “you need to reduce your overhead.” Instead, tell them the why. “Look, you are making no money because your overhead is too high.”

19. The Only Three Ways Accountants Earn an Entrepreneur's Trust

Deliver these three results to ensure practice success.

Entrepreneurs deal with uncertainty all the time. And they look to accountants to deliver them some kind of certainty in those uncertainties. When accountants consistently deliver an ability for entrepreneurs to navigate their uncertainties in a better way, accountants earn their trust.

There are only three ways accountants earn entrepreneur's trust...

1. Past: When you help entrepreneurs know how they (really) did

This is the traditional financial statements and tax services outcome. Entrepreneurs hire accountants to get an unbiased and compliant view of their business. It is a rearview mirror action, but entrepreneurs want to know from an expert that their numbers are accurate and whether they are going to pay only the fair share of taxes. They rely on accountants to ensure that satisfaction. Entrepreneurs trust the accountants to do an unbiased job, in accordance to the law.

2. Present: When you help entrepreneurs manage their reputation and continuity in business

This may sound strange at first. But when entrepreneurs want accountants to help them with budgets, cost accounting, cash flow planning and management, tax planning, etc., they are actually seeking to protect their reputation and manage business continuity.

No smart entrepreneur will ever want to have continued delays in payments to vendors and employees. They know an impeccable financial reputation in the market brings them advantages of lower interest rates, better pricing from vendors and attracting talent to their companies. It has a direct impact on their bottom line and the money they make at the end of the day. For example, they want to know what they need to do to ensure they remain in business. For instance: how to reduce slow-moving inventory to release operating cash.

23. You Don't Think Technology Helps Get New Clients?

Turn “necessary evil” into “welcome angel.”

“New clients do not come to me because I have accounting software,” the owner of a small Los Angeles firm was telling me. “They hire me because I am a CPA.”

Does that summarize how accountants view technology spending? The Accounting Firm Operations and Technology Survey (available from CPA Trendlines) gives us a surprising insight into how primary technology purchasing decision-makers view technology spending.

Key findings indicate:

- Nearly one in six accountants thinks technology investments are revenue-neutral.
- One in two accountants thinks technology helps them differentiate themselves from their competition.
- Nearly two in five accountants think of technology as an expense.

But larger firms view technology as a competitive differential twice as often as smaller firms.

Technology investments are treated as an asset on the balance sheet but more likely viewed as an expense. Off-the-shelf computer software may be eligible for a Section 179 deduction, but this paradox of asset versus expense is likely to increase as more and more software moves to the cloud and accountants become subscribers paying monthly fees rather than users buying licenses.

Tax and accounting technicalities aside, the bigger challenge is evident in how accountants view technology as a necessary evil. It is more likely seen as a cost of doing business rather than an investment for creating a business.

One huge factor in creating this view could be how technologies are marketed by vendors. It is not uncommon to hear technology sales pitches that claim to save time and money. Ever heard of a technology that claims to make time and money?

27. Three Apps to Automate Business Networking

New technologies harvest social media data, suggest how to write the perfect follow-up email, and schedule appointments.

Have you found yourself attending a networking meeting and spending most of the time with just one or two persons you already know? You are not alone. It's challenging to get the communication started and to keep it going. It is an even more daunting task to make killer impressions and walk out with connections that will help you and your business.

But that's where new technology comes into the picture. You don't have to be the best-dressed person in the room, nor the smoothest talking or most knowledgeable. You just need to have the right apps. From thousands of apps and websites that I have personally tested, here are three that could make you a networking hero.

1. Before Meeting: Use CharlieApp

CharlieApp (charlieapp.com) compiles one-page summaries on the people you're about to meet with, before you see them. An hour before every meeting in your calendar, Charlie makes sure you walk in with the intelligence you need to make a killer impression: Breaking news on their company, the passions and hobbies you both had no clue you shared, their professional history, and much more. You get Charlie's insights by email, you can see them on your cell phone inside the CharlieApp or online. Don't have a meeting scheduled? You can simply request insights on any person on the CharlieApp website and the report about that person is ready within minutes. Great for conversation starters. For example, before a call to a senior partner at one firm, CharlieApp showed me news about a bunch of new recruitments there. I started the call with that news and I could feel the excitement and happiness in his voice.

2. To resonate well with others: Use CrystaKnows

CrystaKnows (Register for free here: goo.gl/KdnBCv) is an awesome technology that combines social media curation with psychological assessments to tell you about the personality traits of people you want to know about, and suggest what to write, how to write and what to say to them. It is simply astonishing technology. It integrates with Gmail so right inside Gmail you can get full guidance on how to write to that person. It

33. Six Steps for a Better Tax Season

How some smart firms spent their summer vacations.

When a new busy season is fast approaching and vacation season is coming to an end, you may notice that some firms haven't been taking time off. They've been assessing the lessons from last busy season to apply to the next busy season.

Here are six of the things that the most innovative firms have been doing. And no, they aren't what you might necessarily expect.

1. Niche Identification

Every now and then technology and laws change, which inevitably uncover new opportunities in the marketplace. Visionary firms and aggressively ambitious accountants find such changes, and discover how to make the most of such changes by creating niche services or products around such changes, before others.

2. Trend-spotting

Tax season is like being in another world, more often than not pretty detached from the world around. Most technology providers that cater to accounting professionals work hard during tax season to get ready with new features, products and processes. Immediately after the tax season, all of these new things come to market. Progressive firms step out and look for the cool new innovations and try them out. Pioneers identify trends and ride them, even if it means risking some of their time and profits. Visionary firms try new trends early.

3. Increase Client Interactions

One of the top reasons accounting firms lose clients is communication — rather, lack of it. And hence, contrary to the popular belief, it is not just during the tax season that leading firms follow up with clients. After the tax season, savvy firms use the tax season after-glow to build stronger relationships. The clients of such firms generally do not say, “I meet my accountant only once a year.”

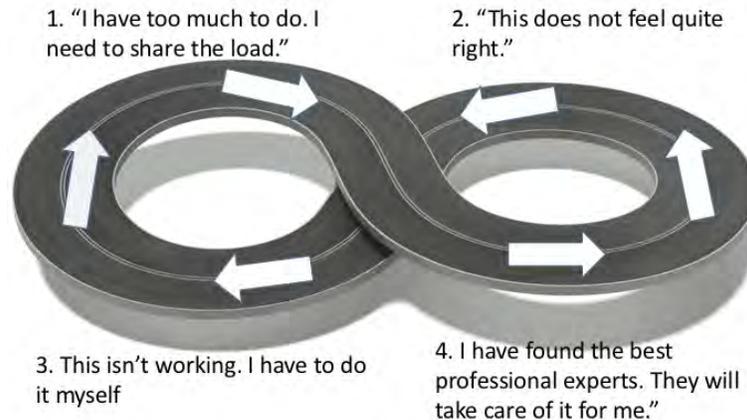
4. Rethink Business Models

Why change what has worked for years? Leading firms don't think so. They

37. Can You Escape this Crazy Eight Trap at Your Firm?

Eighty percent of business leaders fall into a common trap called the “Crazy Eight.” They try to delegate, but quickly get frustrated and take back responsibility. They become overwhelmed as they try to do too much themselves, get stuck in the day-to-day issues, and end up becoming the bottleneck in their company. Then they go round this Crazy Eight again and again.”

Is your firm too endlessly running through this Crazy Eight trap?



The Crazy Eight was devised by consultant Steve Tappin, CEO of the Xinfu consulting firm and a BBC TV host. He says “resisting the temptation to micro-manage is one of the hardest leadership skills to learn.”

How Can You and Your Firm Escape the Crazy Eight Trap?

In physics, escape velocity is the speed at which the kinetic energy, plus the gravitational potential energy of an object, is zero. It is the speed needed to break free from the gravitational attraction of a massive body, without further propulsion. A rocket moving out of a gravity field does not actually need to attain escape velocity to do so, but could achieve the same result at any speed with a suitable mode of propulsion and sufficient fuel.

So, if you too are endlessly going round and round in this Crazy 8 Trap, you want that “escape velocity” or “a suitable mode of propulsion” and “sufficient fuel.”

47. Readers Sound Off on Liberty, H&R Block Plans to Launch Bookkeeping Services

New strategic ally, or competitive threat?

Practitioners are actively debating the effects and impact of H&R Block and Liberty jumping into the bookkeeping business.

“This is an opportunity to highlight quality,” says Wesley Middleton, head partner at Middleton Raines in Houston. “The only person who has something to worry about are those that are only focused on price.”

Not all practitioners agree in the discussion which began at cpatrendlines.com and has spilled onto the 40,000-member CPA Trendlines LinkedIn group.

“What a wonderful opportunity for bookkeepers to start working with their local H&R Block or Liberty branch on a sub-contracted basis to provide bookkeeping services for them,” says Dean Allan of BookPals in Australia, where H&R Block is a familiar sight. They are “usually small, local offices, with a couple of accountants providing tax return services and one or two office staff providing support and administration services to the accountants.”

Allan points out that it will likely be support staff who collate client data. “This raises the age-old problem that all bookkeepers face: The support staff are limited to the number of records they can process based on how many hours a day they can find to carry out bookkeeping services. So, what does the H&R Block office do? Employ more support staff and face the added overhead associated with employing new staff, or start looking for local bookkeepers to help them on a contracted basis with the increased workload?”

Allan says, “If I was a bookkeeper in the U.S. I would be arranging to take my local H&R Block and Liberty Tax Service business owner out for a cup of coffee as soon as possible, because I think there is a wonderful opportunity to increase, not lose business with this announcement.”

Katrina Geety, CPA, president of Geety, Blair & Araya and founder of

50. Five Stealth Growth Strategies Accountants Are Using Now

I love asking accountants, What are you doing differently this year to bring in more clients? I've asked hundreds, maybe thousands, of accountants that question over the years. I love the answers.

Notice the word “differently.” Here are the top five stealth growth strategies accountants are using right now to grow their practice. Why are we calling these “stealth” strategies? Because not many people at these firms or the clients of these firms were aware of what they were doing until things actually happened. It's stealthy, because even competitors couldn't know about it.

1. Buying.

We were told by so many CPAs that they are buying someone else's practice that we feel it is one of the most common strategies now. And these “buyers” are not mid-sized or large firms. Many solo practitioners are buying others out. With many older CPAs retiring, buying another practice is an attractive choice for even the smallest firms.

2. Embracing the Shared Economy.

Getting and retaining talented staff are among the top issues for firms of all sizes. Understandably, salaries for the best talent are at historic highs. So how are smaller firms adjusting to this new reality? They are embracing the “1099 Economy” or the Shared Economy wave. They are aggressively using outsourcing as a strategy to overcome staff turnover and the staffing shortage challenge. They are also engaging more temporary workers on a regular basis to manage growth in business volume. This is also a definite shift towards accountants valuing their own time more carefully and achieving a better work-life balance.

3. Head over hands.

It is not uncommon to hear from accountants that they are fully in the cloud. With a huge jump in third party software that neatly integrates with accounting and tax platforms, automation of data processing is on the

upswing. Bank feeds are getting automatically imported into accounting software more and more. With that, the shift towards selling interpretations and insights is visible. Accountants are more and more intent in using their heads than their hands to reduce longer working hours, while boosting their incomes.

4. Special focus on being a specialist.

There are riches in the niches. Everyone seems to know this but there was always the fear that if we don't sell everything to anyone and everyone, we'll lose that business. No more. While the standard list of services is as before, you can easily find that many CPA firm websites now displaying industries as the key navigation link. This is because of two key reasons: 1) accountants are indeed becoming specialists in certain chosen industries so that they can offer deeper insights to their clients, at premium fee rates, of course, and 2) geographical boundaries are being aggressively destroyed by cloud technologies.

5. Getting clients to chase accountants, not the other way around.

We are hearing from more accountants than ever before that they are investing in technologies that help them get found by the prospects online. The strategy, named inbound marketing, is being implemented by almost all rapidly growing firms. And the costs of inbound technology implementations have come down significantly as more and more marketing professionals have made that as their business.

53. Decide to be Decisive

Decisiveness defines success in Accounting: Firms of all sizes agree.

Wisdom, they say, does not fail the test of time.

"Think and Grow Rich," a path-breaking book published in 1937, was based on the results of more than twenty years of research of a large number of individuals who achieved great wealth during their lifetimes. The author, Napoleon Hill, wrote:

“Analysis of several hundred people who had accumulated fortunes well beyond the million-dollar mark, disclosed the fact that every one of them had the habit of reaching decisions promptly, and of changing these decisions slowly, if, and when they were changed. People who fail to accumulate money, without exception, have the habit of reaching decisions, if at all, very slowly, and of changing these decisions quickly and often”.

Our research with CPA Trendlines into “The Essential Success Traits of Entrepreneurial Accountants” shows that accountants rate "decisiveness" as the single most important success trait. And it is not just about “thinking” to grow rich. It is about the day-to-day experience of accountants at the more than 500 firms surveyed.

While smaller firms (solo practitioners and those with up to ten persons) were usually less decisive compared to other firms, these smaller firms also rated themselves to be less decisive compared to others at similar sized firms.

The results indicate, not so surprisingly, that as firm size grows, decisiveness keeps increasing. Actually, it is the other way around. It is *because* of decisiveness, that the firms grow.

But, after reaching the coveted 500-person mark, firms tend to think that they are less decisive and that others are far more—nearly twice—decisive than them.

Not only do the large firms rate their own decisiveness lower than firms of all other sizes, they also say others are twice as decisive as they are. With meticulously devised processes, defined by much larger experience in handling work and projects, the latest technologies and powerful resource capabilities, one would expect that large firms must be more decisive than others. We therefore decided to dig in further for insights from the participants with more than 500 persons in their firms.

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President / CEO
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– 190 –

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– 192 –

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