

# How to Grow Revenue by Engaging Small Businesses with Traditional Accounting Services – and then Some

When it comes to working with certified public accountants (CPAs) or accounting firms, many small businesses don't know what they are missing, according to a survey of more than 1,000 small business owners and managers.

This was just one of many findings uncovered by the research, which was conducted by SourceMedia Research/Accounting Today and sponsored by SurePayroll (see Methodology). A panel that included Dan Hood, Editor-In-Chief of *Accounting Today*; Linda Cheung, Research Director at SourceMedia; Tony Conforti, CPA and owner of Tony Conforti CPA, LLC; and Jorge Lopez, District Manager-CPA/Reseller Channel for SurePayroll, recently provided several perspectives on the study's implications for accountants during a web seminar entitled “*Addressing Small Business Tax and Planning Needs: Now and In The Future.*”

Overall, the survey results shed light on what accountants need to do to better market their services to small businesses and ultimately provide services that will increase client engagement and satisfaction. “The survey gave us a lot of insight into all kinds of different small business clients,” said Hood. “We learned what small business clients want from their accountants, what they are looking for, their accounting needs, their planning needs and their tax needs.”

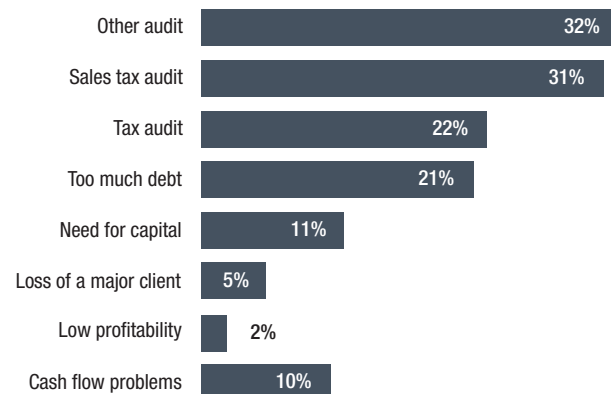
## Small Businesses Face Big Challenges

Perhaps the most important aspect of the survey was the light it shed on the challenges small businesses are currently facing (see Figure 1).

“When we asked small businesses about the financial challenges that they experienced in the past year, about one-third indicated cash flow problems and low profitability,” said Cheung. “And, about one in five had experienced losses of major clients or the need for capital.”

Such financial challenges came as no surprise to Conforti. “The low profitability is a result of brick and mortar falling by the wayside and we're seeing so much more done on the internet now,” he said. “As far as cash flow problems go, it seems that a lot of the small businesses have a problem keeping up with

**FIGURE 1**  
**Financial Challenges of Small Business Clients in the Past Year**



Source: SourceMedia Research/Accounting Today, October 2018

bills, especially if they are borrowing to get started, things of that nature. They are having a very difficult time keeping up with those debts.”

The fact that small businesses are also dealing with audit challenges (5% tax audits, 2% sales tax audits and 10% other audits) should be of interest to accountants. “The ‘other audit’ is a terrifying area because it can mean all kinds of things,” Hood warned.

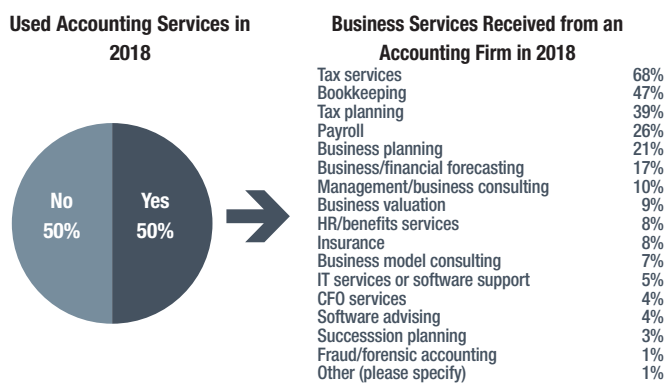
Helping small businesses navigate these audits and many of the other financial challenges cited by survey respondents falls directly into an accountant's wheelhouse. “When you look at the list of challenges, many of them are things a CPA or accountant can really help with. Whether it's directly guiding them through it or connecting them with people who can help them with it,” Conforti explained.

## Accountants Can Offer so Much More than What's Expected

The problem is that many small businesses are not taking advantage of all that accountants have to offer. Indeed, according to the study, only about half of small business used accounting services in 2018. What's more, many of these small businesses did not take advantage of the full array of services that CPAs and accounting firms offer (see Figure 2).

**FIGURE 2**

### Accounting Services Used by Small Business Clients



Source: SourceMedia Research/Accounting Today, October 2018

“For a vast number of respondents, the key thing that they wanted from an accountant was a bigger tax refund,” noted Hood. “And, you can understand why everyone would want a bigger tax refund. But many don't realize all the other things that an accountant can help them with. Cash flow troubles, profitability issues, audits, all those kinds of things are areas where an accountant can really make a difference for them.”

Simply offering a full range of services, however, is not enough. It falls on the accountant's shoulders to inform current and potential clients about the breadth of their offerings. “Small businesses are not aware that they need services in some cases, and they are also not aware that they can get them from an accountant. So, this sort of puts the onus on the accountant to educate both current and prospective clients about the services they have,” Hood said.

To get small businesses to buy into these services, accountants need to take the lead. Case in point: Conforti heavily promoted payroll services when his firm first offered them in 2015. “We put information about it on the internet, we

talked to our clients about it and put flyers out,” he said. “When larger businesses came along, those with payrolls of 12 to 15, we moved them toward the payroll service. And, if we had companies come on for the payroll service, we would cross-sell our accounting services and vice versa. And, that just made it explode, quite honestly.”

To better engage small businesses, accounting firms should make it a point to follow this type of lead and educate small business clients about services, such as business model consulting, valuations, human resources and benefits. “Accountants should bear in mind that small businesses often lack the resources and the knowledge about what an accountant can do for them, and about the needs of a business in general,” Hood pointed out.

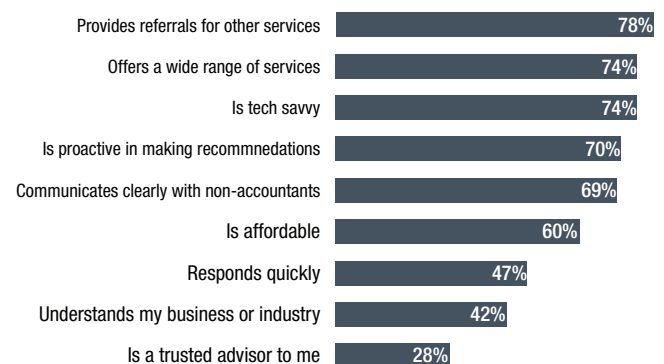
Conforti added that it is especially worthwhile for accountants to promote their comprehensive services with small businesses that are just starting out. “With new businesses and startups, no matter how long they work on their business plan, there are always a number of things they will forget. Whether it be workmen's comp, employee benefits or even filing sales tax. Accountants can usually lay out for them everything that has to be done and take care of all that paperwork as well. So, that gets them off on the right foot,” Conforti said.

## Bringing Exactly What Small Businesses Want to the Table

Small businesses that are currently working with a CPA or accounting firm indicated that the most important capabilities of the firm are being a trusted advisor, having an understanding of their particular industry and offering quick response times (see Figure 3).

**FIGURE 3**

### Importance of Accounting Firm Capabilities to Small Business Clients



Source: SourceMedia Research/Accounting Today, October 2018

To act as a trusted advisor, accountants should always strive to get out in front of both prospective and current clients' needs. "Your clients' needs are always changing," said Lopez. "You need to make sure you're anticipating them and be armed to offer them solutions. Your customers already trust you in matters of cash flow and compliance. By adding additional solutions like payroll processing, you will only enhance your role as a trusted advisor."

Accountants, however, are sometimes "hesitant to add on additional services in their firms because they fear they need to understand everything and be the sole expert in that service," Lopez added. In addition, they worry that offering new services such as payroll could take up too much of their time. "Payroll is often something that accountants started offering because it was expected of them, but they find themselves spending a lot more time and resources on a lot of administration tasks," Lopez noted.

As an alternative, accountants can offer outsourced payroll services, increasing revenue without the burden of developing and maintaining the offering. In addition, they can offer this service with confidence, knowing that accuracy and security concerns will be addressed.

In the final analysis, when accountants expand their offerings, they can go beyond simply being a provider of financial services to their clients and become the trusted business advisor that so many small businesses need. And, by helping small businesses, accountants can help themselves.

## SPEAKING PANEL



**Dan Hood**  
 Editor-in-Chief  
*Accounting Today*



**Linda Cheung**  
 Research Director  
 SourceMedia



**Tony Conforti**  
 Owner  
 Tony Conforti CPA, LLC



**Jorge Lopez**  
 District Manager, CPA/  
 Reseller Channel  
 SurePayroll

### Methodology

In September/October of 2018, SourceMedia Research/Accounting Today conducted an online survey of 1,014 small business owners/managers across different industries. For this study, small businesses were defined as those with less than 50 employees.

### About SurePayroll

SurePayroll offers a proven online payroll solution for accounting firms, bookkeepers and payroll service providers that is fast, seamless and will help increase your firm's bottom line – and provide an important service your clients want. Join thousands of accountants nationwide who manage client payroll in just a few clicks.

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