

# TABLE OF CONTENTS

Chapter		Page
	Introduction to the Second Edition	1
	Introduction to the First Edition	3
Part I	Why Start Your Own Practice?	5
1	Making the Decision	7
	Control	8
	Financial Gain	8
	Lifestyle and Family Support	10
	Entrepreneurial Spirit	11
	Personal Growth	11
	Questions	12
2	Creating Your Vision	13
	Freestyle Writing	13
	Concise Mission and Vision Statements	14
	Developing a Mission Statement	15
	Developing a Vision Statement	16
	Practical Uses	16
	Questions	17
3	Profile of a Successful Sole Practitioner	19
	Academic and Professional Experience	19
	Well-Defined Goals and Standards	20
	Work Skills and Habits	22
	Communication Skills	23
	Positive Attitude and Professional Demeanor	24
	Questions	25
Part II	Early Decisions	27
4	Critical Considerations	29
	Managing Time	29
	Anticipating Financial Needs	33
	Addressing Competition and Economic Determiners	34
	Initial Client Base	34
	Shifting From Employee to Owner	36
	Family Involvement	36
	Understanding Potential Stumbling Blocks	37
	Insufficient Client Base	37
	Partner Mismatch	38
	Practice Acquisition	38
	Questions	38

## Table of Contents

Chapter		Page
5	Generalist or Specialist?	41
	The Changing Accounting Field	41
	Beginning as a Generalist	43
	Advancing Your Practice With a Specialty	44
	Industry or Service Specialty?	45
	Defining Your Target Market	46
	Questions	47
6	To Buy or Not to Buy?	49
	Advantages of Buying a Practice	49
	Matching Considerations	51
	Risks in Buying a Practice	52
	Risk Number One: Employees	52
	Risk Number Two: Client List Weighted Toward One Major Client	53
	Risk Number Three: Buyer Apathy	53
	Finding a Practice to Buy	54
	Striking the Deal	54
	Facilitating the Transition Between Seller and Buyer	56
	Maintaining Objectivity	57
	Questions	57
7	Which Form of Organization for Your Practice?	59
	Sole Proprietorship	59
	Partnership	60
	Loose Association (Office-Sharing Arrangement)	61
	LLCs, LLPs, and Professional Corporations	62
	Practice Continuation Agreements	64
	Questions	65
Part III	Setting Up a Practice	67
8	Choosing an Office Location	69
	Locating to Serve Your Target Market	70
	Working From Your Home	71
	Executive Suite Rental	73
	Renting Individual Office Space	75
	Determining the Amount of Space Needed	75
	Defining the Necessary Amenities	76
	Determining How Much to Pay	76
	Questions	77
9	Financing Your Business	79
	Developing a Business Plan	80

Chapter		Page
9	Financing Your Business—continued	
	Forecasting Your Financial Needs	81
	Revenue Goals	81
	Estimating Initial Key Costs	82
	Living Expenses	84
	Borrowing Money From Conventional Sources	85
	Borrowing Money From Unconventional Sources	86
	Postponing Going Solo	88
	Questions	88
10	Operational Issues	89
	Measuring Important Results	90
	Staffing Your Practice	92
	Furnishing and Equipping Your Office	94
	Using Technology to Your Advantage	95
	Developing Personnel Policies	96
	Anticipating Quality Control Needs	97
	Establishing Good Life/Work Balance Habits	97
	Questions	99
Part IV	Practice Development and Client Management	101
11	Building Your Practice	103
	Marketing	104
	Converting Clients From Your Previous Firm	104
	Website Promotion	105
	Social Networking	105
	Traditional Networking	106
	Capturing Referrals	107
	Direct Mail	107
	Telephone Marketing	108
	E-mail Marketing	108
	Writing and Speaking	109
	Publications	109
	Seminars	109
	Sales	110
	Questions	114
12	Building and Nurturing Client Relationships	115
	Engagement Letters	116
	Pricing Services Properly	117
	Difficult or Undesirable Clients	118

## Table of Contents

Chapter		Page
12	Building and Nurturing Client Relationships—continued	
	Handling Concerns About Scope of Services	120
	Managing Clients When You Make a Mistake	121
	Being Choosy About Clients	123
	Pricing, Billing, and Collections	126
	Making the Most of Client Meetings	126
	Generating Referrals Through Your Best Client Relationships	129
	Questions	130
13	About the Price	131
	Creating Expectations	131
	Overcoming Fee Resistance	133
	Controlling Your Own Efficiency	135
	Client Circumstances Affect the Value of Your Service	137
	Deciding on the Specific Amounts	137
	Special Concessions to Start-Up Businesses	138
	Questions	139
14	Getting Paid	141
	Require Upfront Payment	142
	Managing Accounts Receivable	143
	Questions	145
Part V	Anticipating the Future	147
15	Staying Sharp—Nurturing Your Development	149
	Professional and Technical Reading	149
	Continuing Education	150
	Conferences, Meetings, and Seminars	150
	Professional Organizations	151
	Other Forms of Professional and Personal Expression	151
	Questions	152
16	Been There, Done That—Advice From Successful CPAs	153
	Epilogue	157
	Appendix	Page
A	Engagement Letters	159
B	Sample Business Plan and Loan Proposal	177
C	FAST-PLUS Exercise	189
D	Client Evaluation Questionnaire	195
E	Lease Checklist	199
F	AICPA Resources for Sole Practitioners and Small Firms	205