PLAYBOOK

Streamline Your Accounting Firm:

A Playbook for Reducing Workload and Improving Efficiency

Ryan Lazanis, CPA | Future Firm

FinancialCents

About Ryan Lazanis, CPA

I started my firm as an online business in 2013 where my clients and I met over Skype. It was one of the first online firms in North America at the time. We used cloud accounting tools to automate work and just make life easier.

I studied to be an accountant and became a CPA. Even though I wasn't super passionate with accounting, it was the only thing I knew how to do, so I decided to start an accounting firm.

Because I really didn't identify as an accountant, I kind of thought differently about how an accounting firm should look like. I always felt that an accounting firm created too much pain for the business owner, its team and its clients.

When I started my firm, I wanted it to be the opposite of all the other firms out there. I started by looking at all the pain points that clients and employees experienced when dealing with an accounting firm, and I wanted to reverse all those pain points.

I had all these great ideas to create a modern accounting firm but had no experience. It was my first business. I was starting with zero clients and I had no clue how to sell. I didn't know how to market, I had never hired or managed anyone, and had no clue how to price the services. I literally made every mistake possible. But I had a bit of luck because I started an online firm at a time when there started to be more of an appetite for that kind of offering.

I was able to get clients in because I was able to differentiate the firm as an online business. When people heard that, they became very intrigued, so that made it very easy to pick up clients. Still, my offerings were at the wrong prices and I tried a whole bunch of marketing tactics that didn't work. I also hired the wrong people that were turning over very quickly.

That period was a stressful time but what I did figure out on my journey was that I was a systems thinker. I enjoy figuring out the formula for getting things done efficiently and building out the system to help a business operate more smoothly. That was how I was able to scale my firm.

In five years, I took my firm from scratch all the way to acquisition. It was acquired by a large corporate services firm based out of the Isle of Man.

> Building my firm was a very interesting yet confusing experience for me because I didn't know what path to take. But when I took a step back, and clarified my purpose, it made things clearer for me.

That's why I'm building Future Firm as the resource that I wish I had when I was running my firm. To help other firm owners fast track their success and build a modern firm that helps them enjoy their life, work less all while earning a comfortable living.

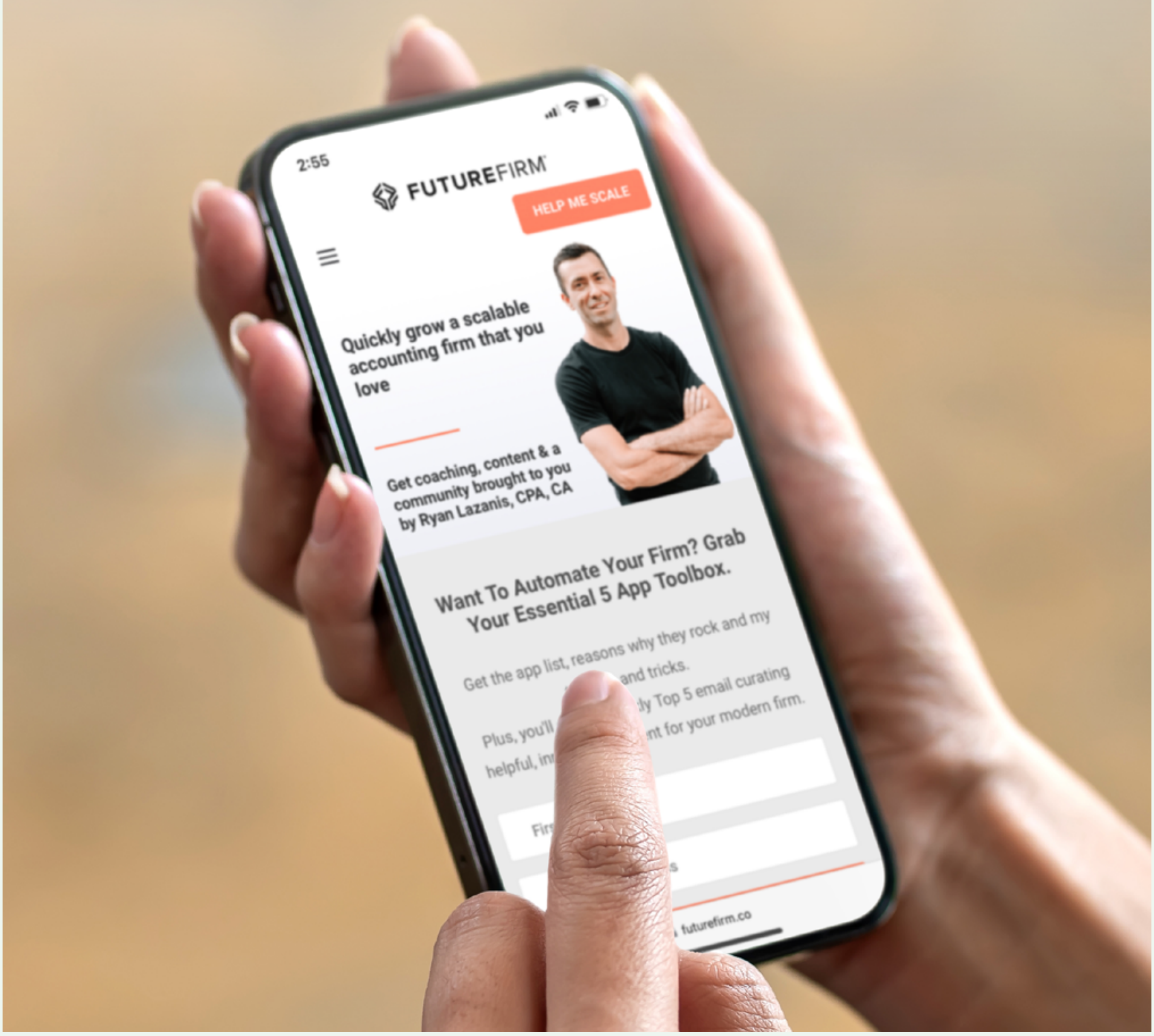
I now have the opportunity to educate 8,000+ firm leaders via my free weekly newsletter each week along with coaching 700+ successful students inside my Future Firm Accelerate online coaching program.

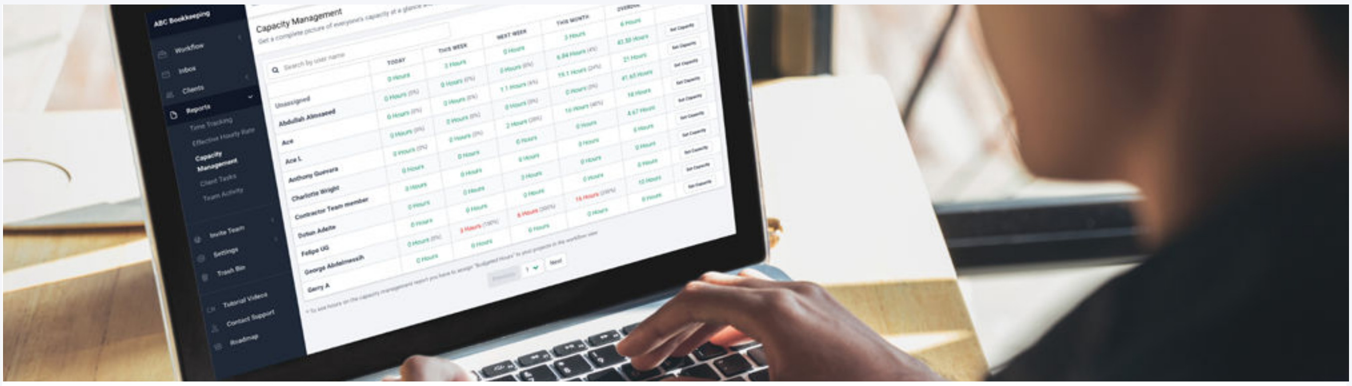
Ryan Lazanis

Future Firm

"My purpose is really about helping move the accounting profession forward. Because I was always frustrated with how old school, traditional, and archaic it was. And I found that we were getting no support from our professional bodies and nobody was really doing what Future Firm has become."

- RYAN LAZANIS





A better way to plan capacity

To build a scalable, systematized firm that doesn't drive you and your team into the ground, capacity planning is critical.

When planning capacity, you need to look at time prospectively by considering how much work you have to do, and how much time on average it would take your team to complete them.

PRO TIP:

Plan capacity based on the time it would take to complete tasks.

Ryan further explains:

At my firm, we did bookkeeping, tax, and financial statements, and we had a general idea of how long these tasks took. With this, we were able to assign time estimates to all tasks. Then it became a matter of comparing between months.

This was a forward-looking exercise. Unlike most firms that track time (we didn't), we looked at time on a forecasted basis.

We then looked at the time requirements for the tasks that we needed to complete for our clients. We compared that to our forecasted available capacity to see if we were over or under. If we were under, we knew we had to hire someone.

We engaged in that kind of time forecasting and capacity planning on a 12 month rolling basis so we would be able to see months ahead of time.

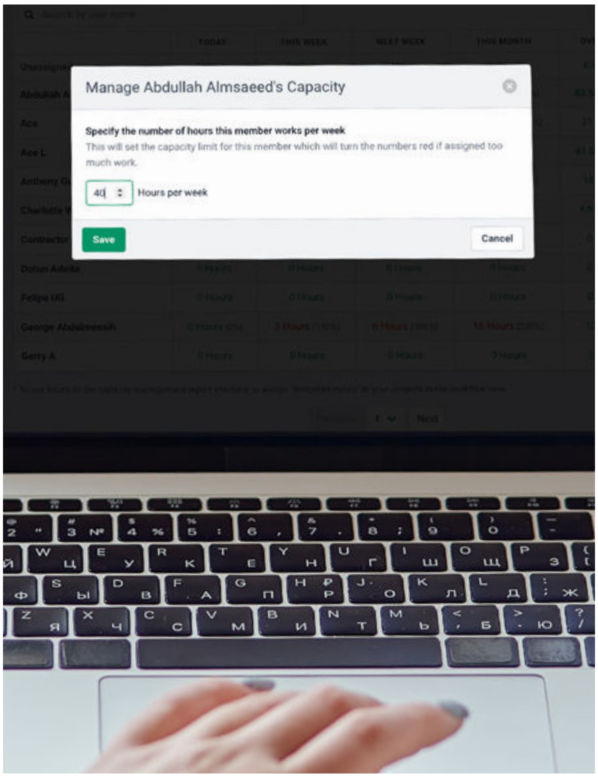
If you're growing, you need to be able to have the resources beforehand. This is where most firm owners get it wrong as they're too late to hire. You're too busy now so you hire and things get better for a little bit. Then you get too busy again and hire. Instead of doing that, always hire before you get to that peak capacity.

Capacity planning is the number one tool for ensuring that people aren't overworked and that you have the available resources to complete work.

Therefore, in choosing your capacity planning tech stack, the important things to look out for are:

- The ability to estimate time on tasks in the system at a time and compare that to the previous month.
- The ability to compare capacity both on the individual level and in a consolidated perspective.

Ultimately, time estimates need to be assigned to tasks in your project management system and then compared to available capacity to see the capacity shortfall or how much excess capacity you have on a rolling basis, looking in the future.

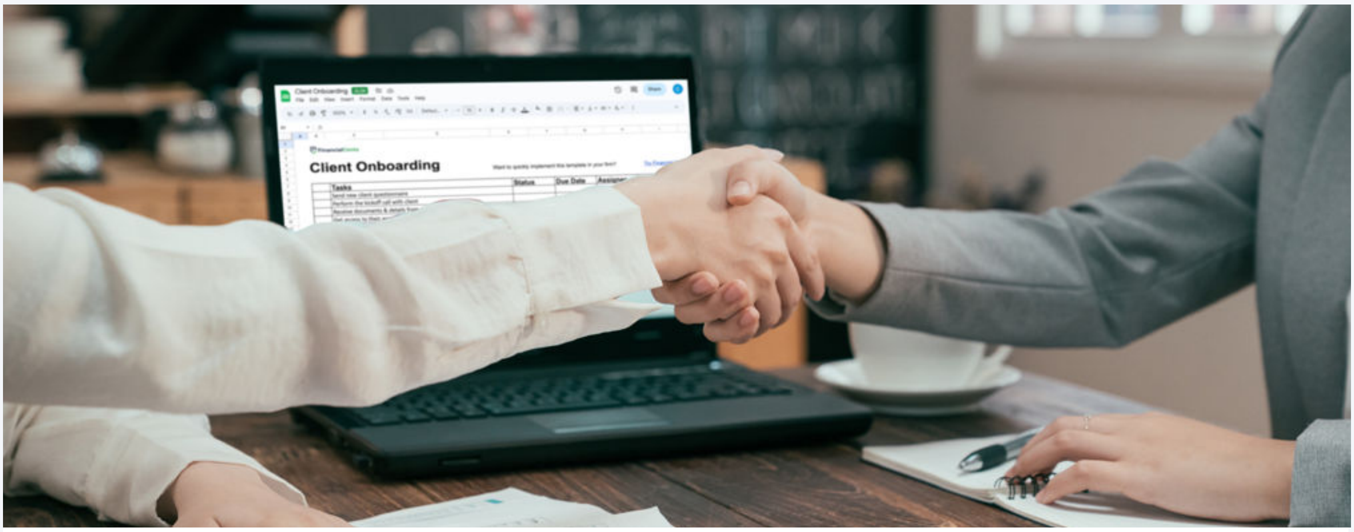


KEY POINT:

When planning capacity, you need to look at time prospectively and forward looking.

ACTION STEP:

Use your workflow management tool to estimate how much time it took your team to complete work in the last couple of months then compare it with the average time it would take to complete client tasks in the next couple of months. What does the data say? What can you do to better plan capacity?



The most important processes to implement in your firm

Streamlining your firm involves many facets but a major one is setting up and implementing the right systems and processes.

According to Ryan, the biggest processes you should get right are:

1. Client onboarding
2. Employee onboarding

CLIENT ONBOARDING

There's a lot of moving parts with client onboarding and that's because it is probably the most important process. It's the make or break with a client. If a client has a bad onboarding process, it's going to leave a bad taste in their mouth and make them lose trust.

I have gone through a couple of accounting firms since starting Future Firm, and one of the firms I hired didn't have a smooth onboarding process. As a result, I just couldn't trust them. We had to end the relationship earlier than planned.

The accounting industry revolves around trust. So the onboarding process is about gaining the trust of the client early in the relationship.

Download free client onboarding template

EMPLOYEE ONBOARDING

To onboard employees in my firm, we did not only focus on getting them up to speed on our technology, processes, and clients, but on making them feel comfortable with the team especially because we were a fully virtual firm.

Virtual work can feel lonely. Your employee onboarding should try to bridge that gap for new staff.

A short template for onboarding new employees:

In the first few weeks, schedule the new employee with different team members.

Each team member should be responsible for providing a certain aspect of the onboarding training. This helps them both to warm up to each other.

Download free employee onboarding template

Further describing why systems and processes are important, Ryan explains:

It's important to have a process for everything you do in your firm. The client onboarding and employee onboarding processes are the most important.

But there are other areas of your firm you can set up processes for, like sales, marketing, administrative tasks, financial reporting, strategy. Most people neglect that. They don't think about that as a process but there is a process to implement a strategic plan and keep it updated. It's probably one of the most important processes yet.

Many firms out there don't have a strategy which means they're just bouncing around all over the place.

There are apps I use an hour a month that cost $300 a month and some people may say forget it. I'll just do it manually. But if it will save me an hour a day, my time is worth more than that $300. I place a very high value on my time and I feel like a lot of firm owners don't place the same high value on their time.

So when it came to spending money, I focused more on the ROI because it wasn't just about cost control but maximization of ROI.

KEY POINT:

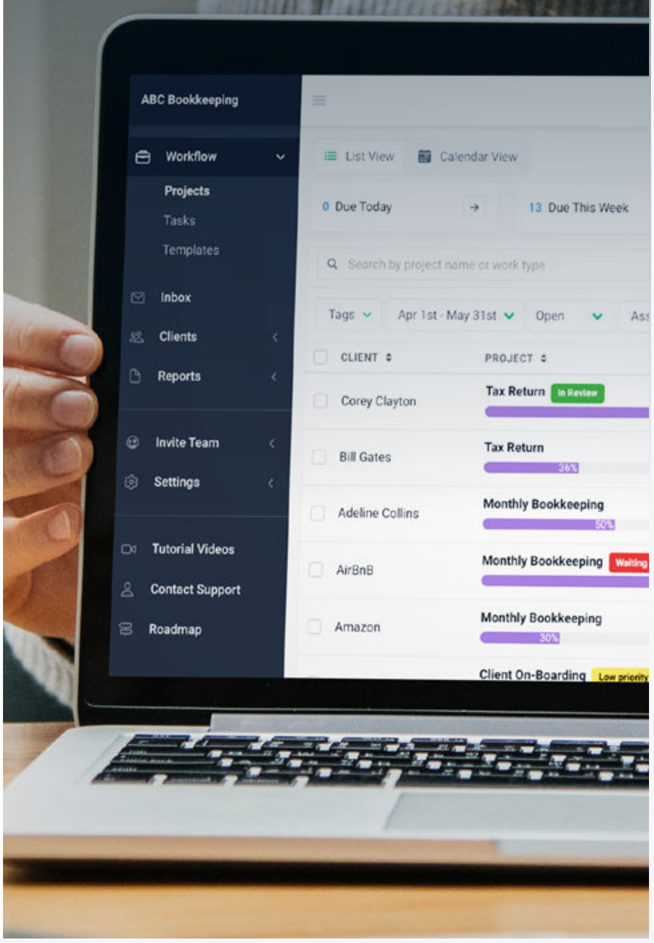
You should set up systems and processes for every area of your firm starting with client onboarding and new employee onboarding.

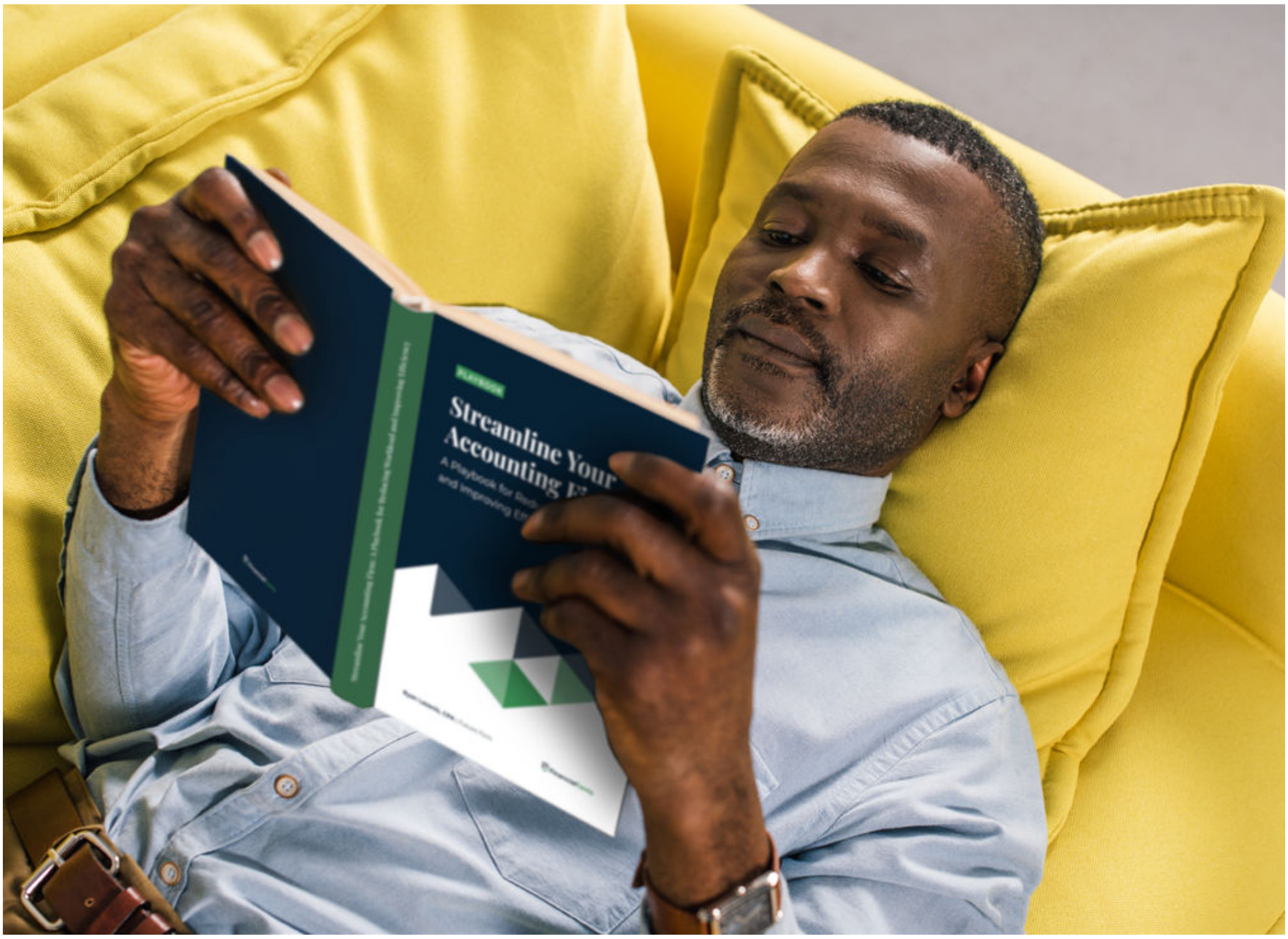
ACTION STEP:

Look into areas of your firm that you currently don't have strategies in place for. What do you need to do? Do you need to establish systems for them? Do you need to get a tool to automate some of those processes to buy back time?

"When it comes to technology requirements, I'm solely focused on ROI. Whereas some are all about cost control. I don't care much about what it costs if it will save me time. An hour of my time is extremely precious."

- RYAN LAZANIS





The Playbook

STREAMLINING YOUR FIRM: HOW I DID IT

I'm a systems thinker. I always envisioned a smooth running machine that operated like clockwork, and I just wanted to figure out that formula.

That's why from the get go, I productized my firm's services into gold, silver, and bronze packages and advertised them on the website. I felt that there should be a formula in place for each package and if we could put clients in different packages, we could more easily onboard them and get into the service delivery routines. This would in turn prevent us from customizing an approach for every single client and wasting precious time.

I focused on a particular niche. While the niche ended up changing, I initially narrowed the focus of the firm on just micro businesses or solopreneurs. This way, my pricing packages would be suitable for them.

As we got going, we provided a lot of advisory services in the early days. We didn't want to touch the bookkeeping. But there was a lot of friction that was created with those packages because we were selling budgets and cash flow projections in the packages. We didn't have the data and we didn't have the books because it was reliant on the client. Then the client would get us the books late or it would be messy books, and then we couldn't provide the services.

So we modified the packages. We said, for every single client that we were going to work with, they had to meet certain requirements. For example, they had to be on a specific accounting software, take bookkeeping services with us, be comfortable on Skype, and be willing to adapt to technology.

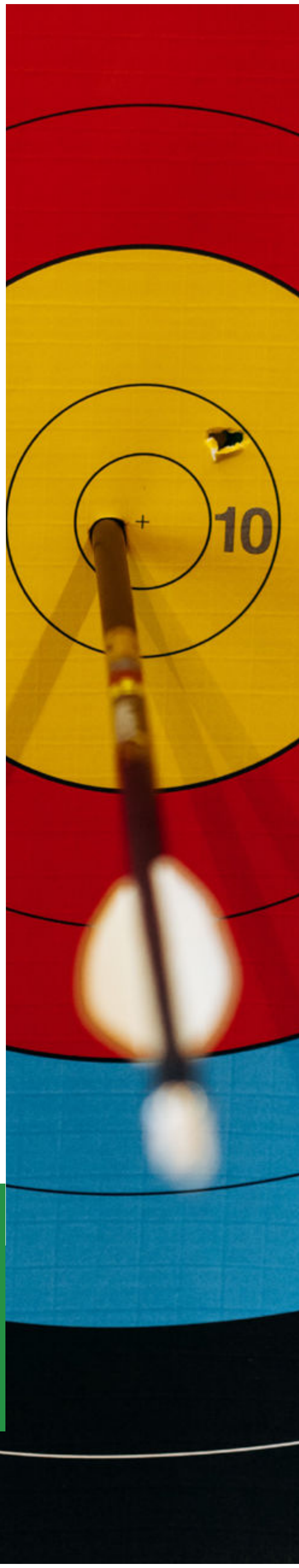
We basically dictated our packages and style of working, then the client had to fit the mold.

That's the opposite of what most firms do where they revolve their offerings and everything they do around the individual needs of the client.

We did the opposite because that means that we have one way to work.

In my opinion, the only way to scale and streamline a firm is by defining and focusing on who you work with, narrowing what you offer to them, and dictating how you're going to work with them.

NICHING



Choosing a niche and pricing strategy are critical to streamlining a firm because professional services can be very hard to scale. We're dealing with professional advice and that advice changes drastically, depending on who we service, and how we service them.

The basis for everything else in your firm is getting two things right.

1) who you serve **2)** how you serve them.

If you have a million different ways to service a million different clients, you're going to have a million different workflows. But if you have one way to service a client, and it's a particular kind of client, you'll be able to narrow down the amount of workflows you have.

A lot of people get stuck when it comes to niching. I think it's very powerful to go after like one vertical. If you say, I'm just for ecommerce, or I'm just for restaurants, that's extremely powerful from both a marketing and a workflow standpoint. But I don't think you have to go that far, either. And that's where people get stuck.

"They say I need a niche, so what industry do I want?"

I don't think you have to go that extreme. If it doesn't feel natural, you probably shouldn't force it.

What we did in my firm was, we looked at the types of clients we enjoyed working with, who really liked us, and that we achieved the best results for. We picked the top 5 to 10 of these clients and developed a client profile around them.

Then we chose our niche. A niche could be online businesses that make six figures a year and there are several verticals in that niche.

For us, we were clear about what we didn't want. We knew we didn't want manufacturing businesses or inventory-heavy businesses. That way, when prospects came our way, we declined the ones that did not fit into our profile, and went forward with the ones that fit. So a niche can be as narrow as you want it to be yet still relatively focused.

PRICING PACKAGES

Pricing packages come as different strokes for different folks. The kind of firms I work with at Future Firm are those who want something smooth running in place. They want to grow their business and have a great lifestyle.

Usually, the bottleneck is going to be the business owner. So productization of your services is how you can develop a repeatable way to offer something over and over again. That's why we put packages in place.

The sweet spot for the number of packages is three. There's some psychology involved there because we're attaching three prices to those packages. And typically most people choose the middle package.

"To create a smooth running firm, we have to remove bottlenecks. We have to have formulas, systems, and processes in place. These systems are derived around what you offer. If you have a million different ways to offer something to a client, there's always going to be bottlenecks."

- RYAN LAZANIS

If you only have two packages, most people take the lower package. If you have four packages and up, it starts to get confusing. **So the sweet spot is three**.

They call it the Goldilocks effect.

The middle one is usually just right. I'm a big proponent of productization of services. It was the basis of my firm and one of the reasons I was able to scale it up and get it acquired quickly.

It's the basis of what I do at both Future Firm and Future Firm Accelerate.

I am able to coach over 700 members in my community because I've productized coaching. That wouldn't be possible if I was doing one to one custom coaching for every single firm that needed help.

So productization of services is for me, is how you give yourself a lifestyle where you're not working 80-90 hours a week.

Nail your pricing strategy:

With the 'How to Price Accounting and Bookkeeping Services for Ultimate Profitability' eBook

Download FREE eBook

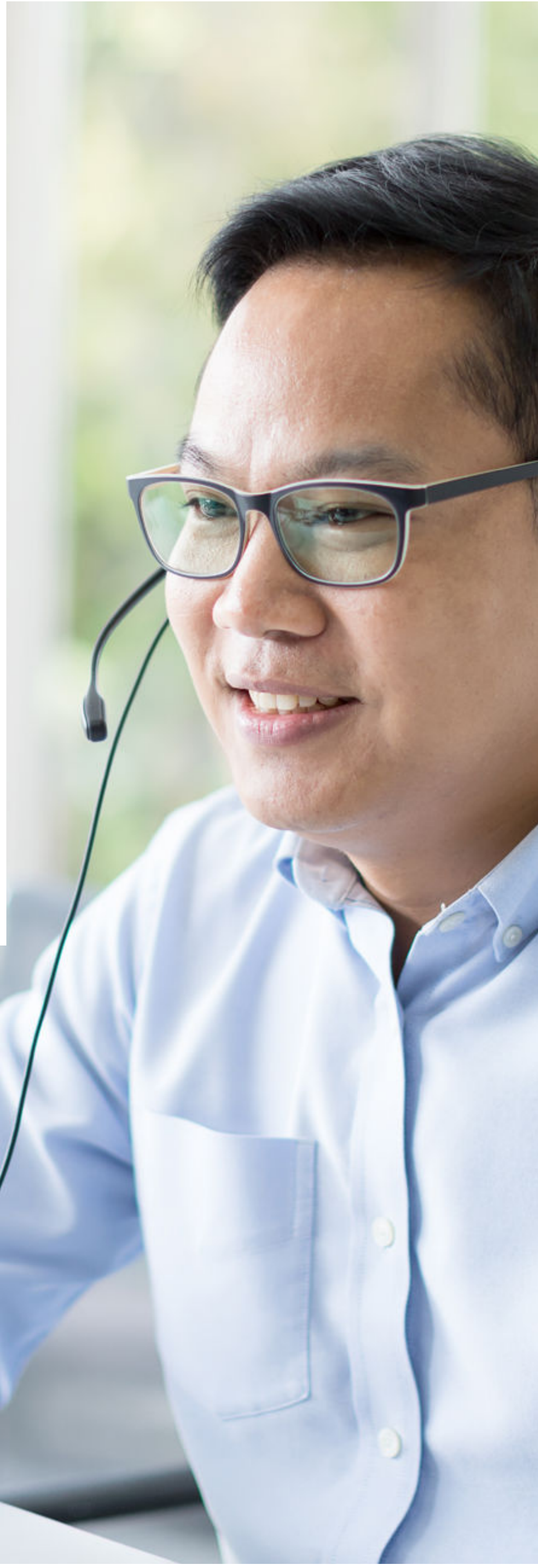
COLLABORATION AND COMMUNICATION

Your project management system should have some communication capabilities between team members. In my firm, we used a project management system, Slack, and a help desk.

- A help desk is one of my most recommended tools because it allows the firm owner/partner to get all the emails. But then they have a hard time getting those emails off to their team members.
- A better option, however, is a unified inbox where emails can flow to your team members more easily so you can better collaborate on those emails.

There's also some automation in place that you could leverage to automate some of the customer support issues.

> So a project management system, a chat app, and some kind of help desk were key to helping my firm stay highly collaborative.



PRO TIP:

The key is simple - accept fewer clients.

BALANCING WORKLOAD DURING BUSY SEASON

My firm never had overtime and we never had to work on weekends during busy season because we just didn't accept certain clients.

My firm never accepted personal tax clients. We did personal tax for corporate clients but we did not build a business around it.

Personal tax creates a once a year bottleneck. It feels like to do personal tax during busy season, you can just staff up for a couple of months a year. Or, hire a whole bunch of people on a part time basis. But in practice, it usually doesn't work well.

In my firm, we wanted full time people and full time clients — a recurring model where we serviced clients throughout the year rather than just once a year.

That way, we could smoothen the workload. If I had all the work coming to me mostly during one part of the year, it would be impossible to manage. So we just didn't take on personal tax clients.

Now, a lot of people say, "*Well, I make good money out of it*". But you're probably not making that much money for the amount of effort that's required on everyone's part. Are you really making that much?

Secondly, I would ask, why did you start your business in the first place? Usually, it's because you wanted a better lifestyle. It's not just about making all this money. It's about having more time with family and going on vacation. It's about lowering stress and having more freedom.

Thirdly, every year, people talk about how their busy season is going to be better the following year because they will streamline their workflows, have more processes, get more technology, and more automation.

Yes, processes and technology and automation will help but it's not going to eliminate the problem. The only way you can eliminate the problem is to have less clients.

So many firms are doing thousands of tax returns for too little. They have all these clients coming in that they charge a couple of hundred dollars, and spread everybody thin.

My solution is to create a more valuable tax package, where it's not just the tax return but there's a bunch of bells and whistles.

So I took my community through this and showed them the packages that they could release and how to communicate them. I have dozens of firms that have said, *"we've increased revenues, and we're now working normal work weeks"*.

One recently told me, *"I'm going on vacation for the last week of tax season and I won't be checking my email."* They can do that because they have fewer clients.

Creating a better firm starts with packaging and pricing, because that's how you control your capacity.

"You could add to a bronze, silver and gold plan, and drastically increase your prices. I'm not just talking about a 10% or 20% increase, like most firms do but a drastic increase. You're going to lose a big chunk of your clients for sure, but you're going to keep revenues neutral or even increase them."

- RYAN LAZANIS

THE MISTAKES I MADE

When I started my firm, I didn't know where to start.

I just didn't know what to do.

The first website that I launched right from day one (10 years ago) was an ecommerce website with 3 pricing packages - gold, silver, and bronze. Visitors could sign up for a package without speaking to anybody. I thought it was cool especially when payments started coming in. I didn't even know where they were coming from.

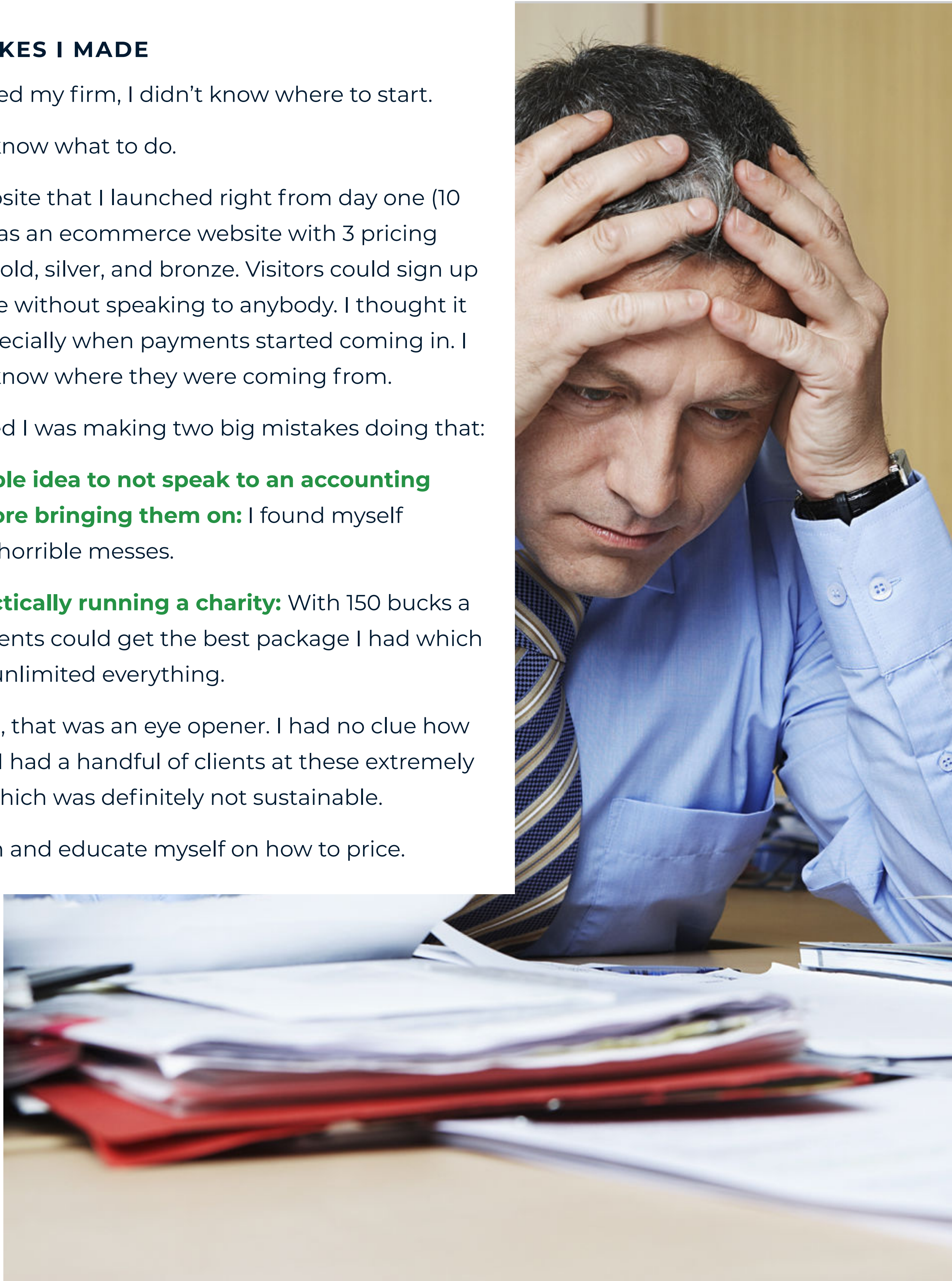
Until I realized I was making two big mistakes doing that:

1) **It's a terrible idea to not speak to an accounting client before bringing them on:** I found myself inheriting horrible messes.

2) **I was practically running a charity:** With 150 bucks a month, clients could get the best package I had which included unlimited everything.

Very early on, that was an eye opener. I had no clue how to price and I had a handful of clients at these extremely low prices, which was definitely not sustainable.

I had to learn and educate myself on how to price.



Recommended Resources

Ryan's recommendations for streamlining your firm include software tools and processes you should start implementing. Find them below:

SOFTWARE TOOLS:

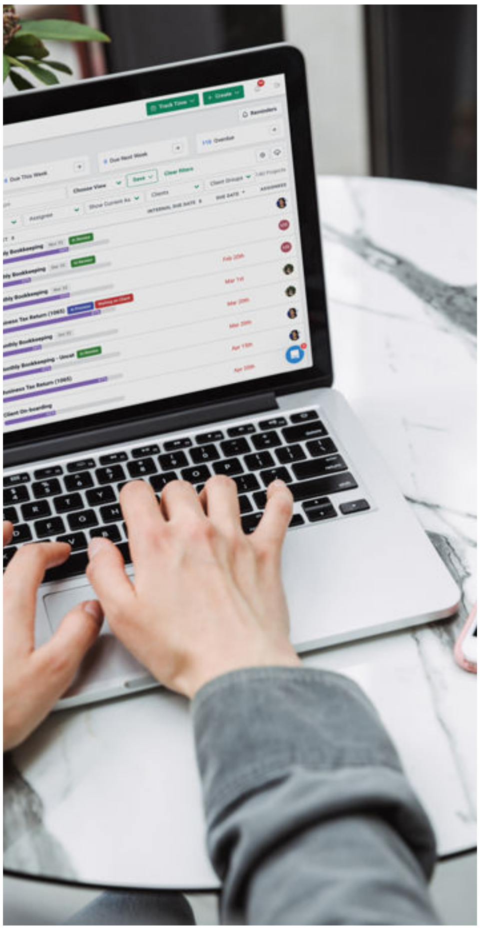
1) A project management software like Financial Cents that gives you the ability to plan and set capacity, set up work, track work, and meet deadlines. It also helps you and your team to have access to a shared inbox where client emails are automatically kept separate, converted into projects, and assigned to staff.

2) A help desk/ticketing software.

3) A secure file sharing software like SmartVault

PROCESSES:

- Sales
- Pricing
- Strategic planning
- Client onboarding
- Employee onboarding



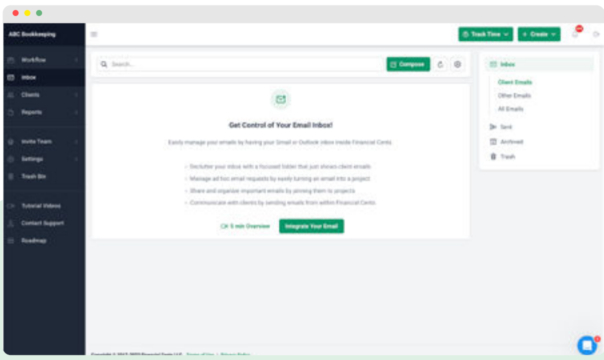
About Financial Cents

Financial Cents is a project management software that has all the features you need to get work done in a simple user interface that your team will love and find easy to use.

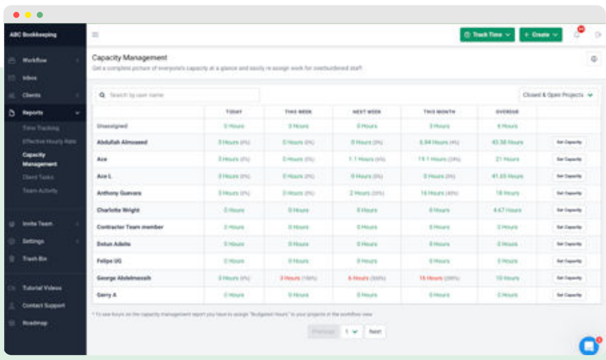
Whether you're just beginning to document your processes or have been doing it for a long time, our workflow checklist templates that are both editable and customizable will get you up and running in no time.

Track & assign work, set up recurring tasks, store client information, automate client data collection, and more with Financial Cents.

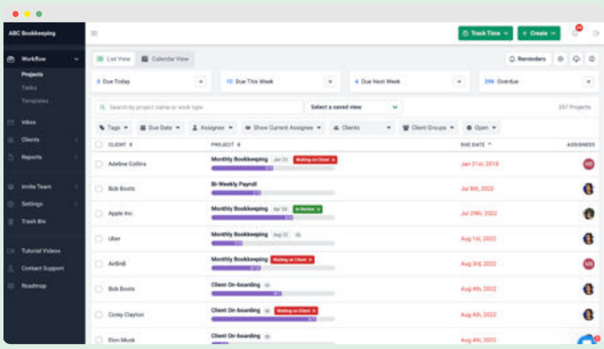
Hear from our clients.



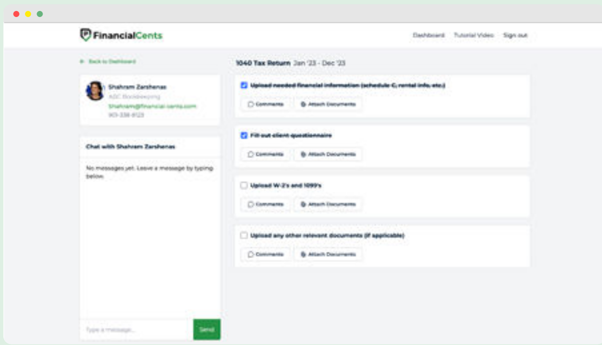
Financial Cents Email Inbox



Financial Cents Capacity Management Report



Financial Cents Workflow Dashboard



Financial Cents Client Portal

Start a Free Trial

Book a 15 minute demo

Case Study

How Financial Cents Helps JTC CPAs to Be More Efficient

JTC CPAS

Bookkeeping, Tax & Payroll FIRM TYPE	**28** STAFF MEMBERS	**2008** YEAR FOUNDED
2020 FC START DATE	**ID, AZ, GA, FL** LOCATION	**In person / peperless** WORKING STYLE

“Being able to see how much work is assigned to one staff versus another so that we can spread the joy of work and make sure that each staff member has the appropriate amount of work? That’s a great thing.”

MICHAEL MCMULLEN | CPA, Managing Partner at JTC CPAs

BEFORE

“Without Financial Cents, I would have to work a lot more hours because I would have to then go to each staff member and sit down with them to find out what they’re working on and the status of each of those projects.”

AFTER

“I like that I can sit down at my computer and quickly see all the projects a staff member is working on. I can also look at any of the hot projects that I know of, and find the status of it really quickly. It’s a lot more efficient than having to sit down with each staff member each day and going through the projects with them.”

Read the case study

FinancialCents