Case Study #2

Client: Richard ("Rick") Beam, CPA, Practice Owner
Practice: Richard S. Beam, CPA, P.C.

Challenges: Rick Beam originally opened his accounting practice in 2003 with an associate from a large accounting company where both men had been working. In the same year, Rick and his partner became Sterling clients to implement systems to increase production and efficiency. By 2007, the two partners had decided to go their separate ways. Rick bought out his partner, retaining the practice, the staff, 60% of the client base and 100% of the company debt. The breakup was unpleasant and left Rick in financial danger.

Implementation of Sterling's Custom Consulting Program:

Rick and his consultant focused on a series of actions to increase solvency and sales and reduce the debt. The first priority was to increase production while the higher interest debts were earmarked to be paid off first.

Attention was put on tightening up Rick's lines and reducing dev-t. Rick's schedule and workload was reorganized so he could delegate non-billable work and produce more billable hours. Rick's consultant phoned in during the weekly staff meetings to help the staff stay focused on production and address any barriers or distractions.

Although the firm had never suffered from a lack of business, with 40% of the client base assigned to the former partner, it was necessary to put attention on getting more business. A client newsletter was established which was sent out two or three times per year to keep in touch with the client base. Rick's consultant also recommended Rick take the Master Sales Course at Sterling. On Master Sales, one of the key points Rick learned was how to ask questions to uncover the clients' needs and how to gain agreement. When he returned from Sterling, Rick applied his new sales tools and "watched the sales close."

Rick's office manager had stayed with Rick after the partnership split. To make sure she was fully hatted on her post and that they were both on the same page, Rick sent her to Sterling to start on the Office Manager Program.

Another consulting action called for a profitability analysis of Rick's flat-fee clients and raising fees that were too low. Hatting actions were done on the staff to make them more efficient and to increase their understanding of basic finance policy. To help reduce expenses, a tenant was found to rent space in the building owned by the practice.

To give Rick the tools to fully prosper, his consultant advised he do the one-on-one specialty workshop, Flourish and Prosper. Rick did the workshop at Sterling with a specialist consultant. The workshop isolated the specific barriers to Rick's prosperity, removed any back-off or reservations on overcoming them and gave Rick the actions he needed to flourish and prosper. Rick reports the workshop gave him the tools he needed "to build a thriving organization."

Rick also made it a point to attend two Sterling workshops each year, which he still does. At the workshops, Rick is free to roll up his sleeves and reflect on his business without distractions or interruptions. At each workshop, he also gets together with his consultant for an "off the clock" consultation.

Richard Beam, CPA

Results of Rick's Customized Consulting Program:

Rick's billings have been up by 20% each year since the split with his partner in 2007. By the end of 2011, the firm's billings were higher than when the partner was still at the practice. Profitability increased by 20% and debt has reduced by 10%.

Rick Says:

"My consultant is more than a consultant, she has become a friend and is like a business partner. We probably would not have made it through the split with my former partner without her. She cares about my business, she's genuine and she's funny; we have a good time."

Summary:

Through his Sterling custom consulting program, Rick's practice not only survived a nasty split with the partner but emerged victorious with higher billings, increased profitability and a smoother-running, more harmonious practice. ∎