



A Guide to Creating Sustainable Value in Your Practice

Brought to you by



But the shocking news is:



In today's digital age, many innovative companies have completely altered the **concept of value and pricing**, and by doing so have become some of the **most valuable companies** in the world.

Let me give you some examples.

Google Maps is used by hundreds of millions of drivers around the world. Unquestionably, it is the most useful driving aid available today. How much does it cost? Absolutely nothing.

Gmail, WhatsApp, so many others... all valuable to millions or even billions of users. And all free.

You could argue that these are primarily consumer services, and that this wouldn't apply to professional services. But let's consider the case of one of the most useful tech services in the world: Amazon Web Services, commonly known as AWS.

Many major corporations, including Netflix, Kellogg's, Yelp, Expedia, and Samsung, use AWS to host their most critical technology. For many of these companies, AWS is essentially their lifeline.

But how much does it cost those companies to host on AWS? Peanuts, compared to the revenue they make from the services hosted on AWS. Amazon charges what would be considered a commodity price, and yet AWS has an operating profit of 24% and is a primary driver of Amazon's profitability, growth and exceptional valuation.

So what's going on here?

These companies are charging commodity prices, or even nothing, for **extremely valuable services**. And yet these companies - Google, Facebook and Amazon - have **become highly successful** by doing so.



That sounds like a contradiction. How can a company become successful by turning value into a commodity?

Because they found ways to create exceptional value by doing so.

There's one specific common thread among all these companies. **They all used the cloud in innovative ways to defy conventional wisdom.**

What this means for you, the accountant:



By using the cloud innovatively, it is possible to convert commodity accounting and payroll services into **highly profitable services.**

At AccountantsWorld, we saw the potential of the Internet way back in 2000. We have relentlessly focused on finding ways to help accountants benefit from this remarkable technology.

Based on our unmatched experience, we can confidently tell you: **Today there are easier and more effective ways to build sustainable value for your practice than ever before.**



Why accounting is a low profit-margin service

The irony of the accounting profession is that accounting is not led by accountants. Instead, it's dominated by a "Do-It-Yourself" accounting program sold directly to small businesses. This model creates tremendous inefficiencies, making accounting a low profit-margin service. It also distracts your clients from running their businesses, and weakens your ability to best serve your clients. The bottom line: the current model hurts both you and your clients.

How to make accounting services highly profitable



The only way to make accounting highly profitable for you, and make your services more relevant to your clients, is to put you – the accountant – back in the driver's seat. That's what we call an Accountant-Centric approach.

A professional system based on this Accountant-Centric approach provides everything you need for your professional work – write-up, trial balance, preparation of fully customizable financial statements, and analytics, along with a general ledger system that includes banking, accounts receivable, accounts payable, job costing and inventory. With it, your staff can do everything that your clients' staff currently does – only much faster, easier, and more accurately... all right from your office. The Accountant-Centric approach is the brainchild of AccountantsWorld, and our cloud-based professional accounting system [Accounting Power](#) is based on this Accountant-Centric approach.

(By the way, we wish more companies would adopt this Accountant-Centric approach, but unfortunately they can't. Why? Because all of the major producers of accounting software created their solutions primarily for small businesses, and sell their programs directly to small businesses. This approach is in direct conflict with the Accountant-Centric approach.)

For clients who'd like to offload all their accounting work to you, your firm can now deliver complete accounting services, including bill payments, bookkeeping, monitoring cash flow, and preparing financial statements. The Workflow Manager included in Accounting Power helps your staff perform at peak efficiency, and lets you oversee the entire accounting practice from a single dashboard. And no one has to print a single check - all bills are paid with a mouse click using innovative digital checks. The only thing your clients have to do is either scan or take a snapshot of invoices to be paid using their smartphones.

This refreshing Accountant-Centric approach, coupled with many innovations introduced in Accounting Power, make offering complete accounting services highly profitable and hassle-free.

Highly profitable, headache-free payroll service is not an oxymoron

Until about a decade ago, payroll service bureaus exercised a virtual monopoly over payroll services by introducing a high level of automation using multi-million-dollar mainframe computers. Accountants had no access to such computing power.

We realized that the only way to bring payroll services back to accountants was to commoditize this processing power so every accountant has low-cost access to it. Just as Amazon commoditized computing power with AWS, we commoditized payroll processing automation by creating [Payroll Relief](#), the first cloud-based payroll processing center exclusively for accountants. Then we allowed accountants to access it for a nominal cost. Others followed suit, and now accountants have access to the same level of automation that only payroll services bureaus had in the past. By commoditizing payroll processing automation, AccountantsWorld has created billions of dollars' worth of opportunities for accountants.



With a highly automated payroll system like Payroll Relief, you never have to worry about doing direct deposits, paying payroll taxes, filing payroll tax returns, or paying child support or garnishments. The payroll system handles all of these automatically, electronically, and on time, with 100% accuracy. And with industrial-strength batch processing, year-end processing of W-2s, W-3s, and 1099s is also a snap.

Some systems like Payroll Relief also eliminate payroll data entry and the printing and mailing of paychecks from your office, and give you access to sophisticated tools to help manage a busy payroll practice. Put it all together, and you can process payrolls faster than ever before - without any compliance headaches.



Since the cost of processing payrolls is so low, most of your payroll processing revenue goes right to your bottom line, making payroll processing a highly profitable service.

“ I’ve more than doubled my payroll billing in just two years using Payroll Relief. ”

– Kristi D.

Your next major opportunity: Client Accounting Services

The AICPA and other industry experts agree that the next major growth opportunity for accounting firms - large or small - is in offering **Client Accounting Services (CAS)**. Other than virtual CFO services, most services included in CAS are commodity services. That includes bill payment, accounts receivable, accounts payable, employee business expenses, bank reconciliation, trial balance, financial statement preparation, fixed assets and depreciation, live payroll processing, after-the-fact payroll, payroll taxes (SUTA, FUTA, 941, states), W-2/W-3, 1099, and year-end filings. And yet, when done right, CAS can be turned into a highly profitable service with the potential to greatly increase your firm's bottom line. How? With the right cloud tools, such as the [Power Practice System](#) from AccountantsWorld.

Is hourly fee a better way to go?



We've presented reasons why it's difficult to implement value billing in accounting practices, but that certainly doesn't mean we're proponents of hourly fees. **Absolutely not. To be brutally candid – hourly rate billing is a totally illogical and antiquated system for accounting practices in the digital age. There is no rational basis for hourly fees.**

No value billing, no hourly fee...then how can you charge your clients for your services?

Charge your clients a fixed monthly fee for most services.

For services you already offer, all you have to do is convert the total fee you've charged your clients over a period of a year or two (for regular tax, accounting, compilation, bookkeeping, and payroll processing work) into an average monthly fee. Based on your client relationships, you may choose to add 5%-10% to it.

Be careful to clearly list the services that you'll be providing as a part of your monthly fee. Explain how you arrived at the flat monthly fee. Full transparency is important to avoid any misunderstandings later.

You may also have a situation where you offer different levels of services to certain clients. Based on that and your own client data, you might create different levels of "fixed fee packages". For example, you can offer basic, intermediate and comprehensive packages, based on average volumes of work.

Clients love fixed fees

From your experience, you know clients don't like hourly fees. Their biggest objection is the uncertainty; they can't estimate how much they will have to pay in advance. Given the choice, clients invariably prefer a flat fee, which provides much greater certainty. And it presents an opportunity to strengthen your client relationships by positioning this change as a benefit to your clients. Tell them that moving to a flat monthly fee model can help them better budget their monthly expenses and manage their cash flow. While their total yearly expenses would remain pretty much the same as before, switching to a fixed fee model is another way you provide extra convenience to them.

Use value billing for value-added services

Remember that what we've discussed so far applies to regular tax, accounting, audit, payroll, and compliance, services for which it is hard to justify value billing. However, if you offer value-added services like virtual CFO services, you should certainly command a higher value for your time. It is easy to justify higher fees for such services, as clients know how these services can benefit them. They know how much it costs to hire a controller or CFO, and what an important role they play. If you went to a client who can benefit from these services but can't afford a CFO, and told him you'll offer the same critical services that a CFO offers but that it would cost him just one-tenth of the cost of hiring a full-time CFO, chances are he will gladly accept such a proposal.

Fortunately, software like Accounting Power from AccountantsWorld can help you offer CFO services to a large number of clients without needing to hire additional staff. For example, Accounting Power lets you monitor cash flow and KPIs for your clients from a single dashboard. It sends you alerts when important business parameters like accounts receivable or accounts payable fall outside specified thresholds for each client. Accounting Power also provides a comprehensive Performance Report that presents a thorough financial analysis of your clients' businesses for you to discuss with them on a regular basis.

Value-added services like virtual CFO services are certainly the right candidates for value billing. Today's best tools allow you to offer these services highly efficiently, making them even more profitable.



Take the Next Step

Now that you've been introduced to methods to build sustainable value for your firm, it's time to learn how AccountantsWorld's solutions can help make it happen.

Visit AccountantsWorld.com/APower to learn more about Accounting Power

The award-winning Accounting Power solution from AccountantsWorld is in a class by itself. It integrates a powerful professional system with a comprehensive bookkeeping system in one unified cloud-based accounting solution. Learn how Accounting Power puts accountants like you back in full control of client accounting, and can help you make your accounting practice 20-30% more profitable while enhancing your range of services.

Schedule a **one-on-one demo** of Accounting Power and Payroll Relief

Call **888-999-1366, x140** to schedule a personal demo of AccountantsWorld's core solutions for client accounting and payroll processing. A Practice Consultant will answer any questions you have, and detail how Accounting Power and Payroll Relief can help boost your accounting profits and build a lucrative, hassle-free payroll practice.



Special Accounting Power Offer

Perform the following services for an unlimited number of clients for the entire first year for just \$1595*

- ◆ Client Accounting Services
- ◆ Write-up for your clients who write manual checks
- ◆ Trial balance work and preparation of fully customizable financials
- ◆ Virtual CFO services

We are so confident that Accounting Power will meet or exceed your expectations, we back it with an full one-year money-back guarantee!

*This offer is available to new customers only. Some restrictions may apply.

Epilogue

AccountantsWorld - the Untold story

By Chandra Bhansali, CEO and co-founder, AccountantsWorld



Sharada Bhansali, my wife and AccountantsWorld co-founder, and I feel fortunate to have had the opportunity to serve the accounting profession for over 30 years. Before we founded AccountantsWorld, we had a thriving tax software business.

In 2003, we sold that business. Our friends and family thought we would retire happily, but we worked harder than ever for the next decade.

Why? Because we saw the tremendous potential of the internet way back in 1999 - well before anyone else in the accounting profession. We committed ourselves to finding innovative ways to help accountants take full advantage of that unprecedented power to enhance their practices.

When we started, we had no idea where that quest would take us, but fortunately, we found several important clues along the way that set a very concrete direction for us.

Our first major clue came when we uncovered a huge disconnect in the accounting profession. We noticed that very few accountants offered a live payroll processing service. Most referred their clients to payroll service bureaus. When we asked why, we were told payroll processing is an “all pain, no gain” service. But not for payroll service bureaus - our research showed that they were generating a net profit of 30-40%. They were able to turn payroll processing into such a profitable service because they used mainframe computers to create powerful processing centers that automated most payroll processing tasks.

Then, what we discovered next about the state of client accounting firmly set the course for our challenging but exciting journey.

At a trade show, I asked a CPA I had known for years how his accounting practice was doing. He told me, “Chandra, you won’t believe it, but I don’t run my own accounting practice.” Shocked, I asked him, “then who does?” He pointed to the booth of the largest provider of accounting software and said, “This company and my clients do. Influenced by this company’s aggressive marketing, my clients buy their software thinking they will be able to do most of their accounting work themselves. But most of my clients don’t know a thing about accounting, so they make a mess of bookkeeping. I have to clean up that mess before I can do my work. This isn’t what I became a CPA for. I want to add value to my clients’ businesses, and I can’t do that.”

Virtually every CPA and accountant I talked to echoed the same sentiments. Many also felt that they had become glorified salespeople for accounting software companies. I could feel their sense of frustration and helplessness.

All of these experiences led us to uncover the darker side of what technology has done to the accounting profession.

Major corporations had used technology to penetrate deep into accountants' core tax, accounting, and payroll services, and they were hurting the profession. Payroll service bureaus used mainframe technology to take payroll processing business away from accountants. Using PC technology, a piece of software had taken over control of accounting. And PC-based tax software had taken a big bite out of tax preparation services.

The major corporations did it so tacitly and cleverly that accountants were oblivious to the damage being done to the accounting profession. Accountants actually helped these corporations make tens of billions of dollars by referring their clients to these corporations. Worse yet, by doing so, accountants compromised their most precious business asset – their client relationships.

With that realization, we decided to use cloud technology to bring control of two core business services – accounting and payroll – back to accountants, and to do whatever we could to restore the prestige and relevance of this noble profession. We made a commitment never to sell our products or services directly to your clients, and to do everything possible to help you strengthen your client relationships.

In this special report you got a glimpse of how that conviction is putting accountants back in control of two core business services, accounting and payroll, and how it has created billions of dollars' worth of opportunities for accountants. **This is the brighter side of technology.**

We certainly don't expect every accountant to agree with our observations or share our convictions. But if your goals for your own practice parallel ours - taking back control of core business services, building significant value for your practice, adding value to your clients' businesses, and enhancing your relevance – then you know we will be the most trust-worthy technology partner to help you realize your aspirations.

As explained before, your next step is to call us at 888-999-1366 ext. 140, for a one-on-one consultation with one of our Accountants Success Managers.

Making a difference in the professional lives of proud and passionate accountants is one of the most gratifying aspects of our lives. Thank you for giving us that opportunity!

CBhansali

Chandra Bhansali

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PS: If you find this special report useful, then please share it with your colleagues and peers.

Thank You for Reading Our Special Report

About AccountantsWorld

Many accountants don't realize that major corporations have used technology to penetrate deep into your core tax, accounting and payroll services.

At AccountantsWorld, we use technology for a very different purpose.

For over 15 years, we've been committed to using cloud technology to create new opportunities for practicing accountants like you, and to help you reclaim lost ground so you can better serve your clients and raise your bottom line.

- ◆ We created the first-ever cloud-based payroll solution, [Payroll Relief](#), to help accountants easily offer highly profitable payroll services to their clients.
- ◆ Then we created [Accounting Power](#), the first cloud-based professional system to put you, the accountant, back in control of client accounting.
- ◆ We now offer a fully integrated suite of highly acclaimed solutions for professional [accounting](#), [bookkeeping](#), [payroll](#), [document management](#), client portals and more.

Using our pioneering cloud solutions, you can tailor your services to best meet the individual needs of each of your clients, increase your firm's productivity, better serve your clients, and raise your bottom line.

And unlike other service providers, AccountantsWorld has made an unwavering commitment to accountants. We never compete with you, or sell our products or services directly to your clients.

Learn more about how AccountantsWorld can help your practice thrive at AccountantsWorld.com

