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CHARTERED PROFESSIONAL ACCOUNTANTS
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Selecting an Accountant

**What You Need to Consider for
the Right Fit**



Almost every small business owner starts out by doing their own accounting.

As the business grows, the accounting duties become more time-consuming, the financial problems more complex, and the need for professional advice more imminent.

Hiring an accountant is a milestone for a business. It marks a significant stage in a company's history.

The relationship between a business owner and their accountant is vitally important. As your business continues growing, your accountant will become a trusted business advisor. Your accountant will almost certainly have a better understanding of your firm's health than most of your employees will. He or she will also be centrally involved in most of the company's big decisions.

That's why there must be a *fit*.

There are some best practices to keep in mind as you select an accountant for your organization.

The Importance of Trust

Trust is the starting point.

Given the nature of the relationship, the types of issues you will be discussing and the advice you are seeking, there must be a high degree of trust between the business owner and the accountant.

The factors outlined below will certainly help you develop your sense of trust in the person. However, the *trust factor* is emphasized first because it is extremely important.

Size of the Accounting Firm

As you begin your search, you will quickly realize there are a broad array of firms in the accounting sector – from single practitioners and boutiques all the way up to the big, national brand name companies.

Some business owners gravitate to the large, national firms. Associating yourself with a well-known brand name company may provide a sense of comfort and dependability. Of course, there is always the risk that your account may be a low priority for a large firm, particularly if your company is rather small.



Consequently, other people are attracted to the personalized approach that comes with the smaller accounting firms. If you need considerable face time and personalized attention with your accountant, then perhaps a small to medium-sized firm is a better fit for you.

Which should you choose? That ultimately depends on what you want and how you work.

As a business leader, you should enter the process with a clear understanding of the types of business problems you want your accountant to work on.

Complexity of Business Problems

The type of accountant you choose depends on the services you need. Every business has its own expectations of the value its accountant should provide, although the different types of service can be broken down as follows.

Basic Accounting Services

Some businesses are only seeking basic accounting services, such as:

- Tax returns
- Monthly, quarterly and/or end-of-year compilation financial statements
- Bookkeeping for expenses and cash flow
- Audit and/or review of financial statements

Consulting and Advisory Services

Other businesses will require strategic advice, including insight on:

- Taxation
- Financial planning
- Pension plans
- Retirement planning

Family-Owned Enterprises

If your business is a family-owned enterprise, you may need advice on a succession planning, or maintaining your family legacy under new management. There are many possibilities for the future of a family-owned business and an experienced accountant can advise you of these options.



■ CFO Role

Many businesses are choosing to outsource their Chief Financial Officer (CFO). It's a valuable way to get experience, expertise and professionalism without the costs of a full-time executive.

Get Referrals

Referrals from family, friends, or other companies in your sector can help you find an accountant that meets your needs. If someone else has had a good experience with that person, then you are one step closer to finding someone that could be a fit for your company.

Interview the Accountants

When considering whether to hire an accountant, take the time to interview the person. It's an important step. During the meeting, remember to follow these key points.

- Ask to meet with staff members who would service your account. Be aware that the large firms have a high turnover and your "team" may constantly change. Be sure to ask about who is doing your work.
- Inquire about their qualifications and education.
- Explore their experience. Have they worked with your type of business before? Did they add value to that organization? How?
- Is the accountant connected with a professional network of lawyers, bankers and investment advisors? Chances are your business will grow such that they will need to draw on those people's expertise as well.



Industry Expertise

A big part of achieving the *strategic fit* with your accountant will depend on his or her expertise with your industry.

The business world has many moving parts. Different accountants will have different experiences working with specific industries or business models. They will also have worked with companies at various stages of growth.

When selecting your accountant, make sure the person offers expertise in your industry and with your type of company. In an ideal situation, your accountant will identify potential problems or opportunities you were not even aware of. It's an important piece of added value that can go a long way to making your business a success.

Conclusion

Choosing an accountant is one of the key decisions you will make as your business grows. Your accountant is a business advisor and financial planner, and the accountant-business owner relationship must have a high degree of trust. There must be a fit.

It is important to take deliberate steps to find the person with the experience, expertise, professional and personalized services your organization deserves.

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