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How to find a new accountant

by Lauren Otis, Business Editor

Best initial resource is a friend or colleague

Your brother-in-law's an accountant so you gave him your company's business, but whenever you call he seems more interested in talking about his kids than your company finances.

Or, over the years, you've stayed with the same accounting firm you had when you started your business. They seem competent at the compliance stuff but when you've attempted to talk about longer-term business growth and planning issues, they act like that's not their job.

Or, worse yet, when you call your accountant, he or she doesn't return your call for days.

Maybe it's time to think about getting a new accountant. But where to start? By pulling a name out of the phone book or off the Internet?

Wrong, say area accountants. The place to start is by asking a friend or colleague to recommend someone they like. Then see if you like them too. Because, while accountants may be numbers people, finding one compatible with you and your business is more a question of chemistry than

mathematics. "It is truly a relationship business," said Rosemarie Fisher, CPA, president of Real Possibilities, LLC, a Princeton-based firm which provides bookkeeping and financial consulting services. "It is also a chemistry thing. If you can't talk to your accountant and have them make sense to you, you shouldn't use them," Ms. Fisher said.

The first step to finding a new accountant is almost always a referral, accountants said. "Probably 95 percent of my new business comes from referrals—from existing clients or from other professionals," said Anne Skalka, CPA, president of Lawrence-based Anne Skalka & Associates.

"How do accountants get clients?" said Edward Mendlowitz, CPA, a partner with WithumSmith&Brown in New Brunswick. "The best way and the most prevalent way is an existing client recommends you," said Mr. Mendlowitz, who operated a smaller firm that was acquired by WS&B.

Once the introduction is made, Ms. Fisher said she sets up several interviews with the prospective client. While the first can be an in-depth phone conversation, she

always sets up at least one in-person meeting. This can help establish rapport, and give both parties a feel for how the other works, and is to work with, she said. That is because, ideally, an accountant is someone who will do much more for your business than its taxes or bookkeeping.

Especially for small and medium-size businesses, ***"the CPA, the accountant, is the quintessential consultant, business advisor," said Martin Abo, CPA, president of Abo & Co., LLC, in Voorhees.***

Larger businesses have specialized departments—marketing, legal, financial—to take care of specific aspects of their businesses, Mr. Abo noted. But, ***"when you are a small business, you go in a closet, close the door, and you are meeting with the board or directors," Mr. Abo said.*** For such a client, an accountant should act almost like a part-time chief financial officer, offering strategic and planning advice as well as tax and financial compliance, he said.

But for that to occur, ***"there's got to be a certain personal chemistry there"*** along with

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financial expertise and familiarity with a client's type of business, he said. Billing rates are important, Mr. Abo said, but are not an absolute measure. A client should weigh how efficient an accountant is too. ***"You should be getting value," he said.***

Of reasons why businesspeople will value an accountant and stick with them, Ms. Skalka said, "it is a matter of trust. People really feel they have someone they can trust, that is huge."

Especially in the realm of small businesses, where the owner's personal and professional financial health are so intermingled, an accountant's ability to listen to that client, talk candidly with them, and assess, are critical, Mr. Mendlowitz said. Of a prospective client, "I'll ask them why are you switching, and the reason they give you, that is not the reason," Mr. Mendlowitz said. They may say that under their current accountant they are paying too much tax, but after listening to them talk about their business he'll find they are really worried about their inventory controls and employees stealing from them. "I find this all the time."

Or a client may raise the prospect of hiding assets in an offshore tax haven, Mr. Mendlowitz said, but he isn't so interested in tax sheltering as he is afraid that he will get divorced and his business will be hurt.

Chemistry is very important in a continuing accounting relationship, Mr. Mendlowitz said,

but unfortunately inertia is as well. People can be unhappy with their accountant, and there can be no chemistry, but they continue the relationship simply out of inertia, he said.

"Inertia is something (clients) have to get over, and they have to say it is a professional relationship and if they are not getting out of it what they need they should look around," Mr. Mendlowitz said.

Mr. Mendlowitz said there are a couple of benchmarks for assessing your relationship with your accountant. First, are they responsive, returning calls and answering mail. Second, do they keep their promises, completing their work in a timely fashion according to the timeframe they have presented. If an accountant says something will be done in two weeks, it should be, he said, adding that filing for extensions on tax matters without a good reason is to be avoided if possible because "you are living in the past" financially and not looking to matters ahead of you.

The final benchmark is whether an accountant makes you feel secure with your finances, he said. "My job is to make a client feel more knowledgeable and secure about their finances."

Ms. Skalka said the number one reason she hears from clients of why they changed accountants is "they don't get phone calls returned," and unresponsiveness was at the top of the list of reasons for changing firms, said other accountants interviewed.

Of an accountant, a client should ask ***"Do they meet the deadlines? Are they raising questions? I would say I want someone more proactive than reactive, you often see accountants just doing compliance too often," Mr. Abo said.***

Sometimes a company has simply outgrown its accountant, in size or in other ways, Ms. Skalka said, and sometimes the reverse is true: the accounting firm has grown too big for the needs of its client.

This is when accounting firms can bring in other firms they feel are a better match, Ms. Fisher said. "Mercer County has a very tight knit group of CPAs," she said. Firms have all different specialties, and will call on other firms they know to do a piece of a client's business if it is not their specialty, she said. This sharing is healthy. "There is more than enough business for all of us," Ms. Fisher said.

With a little effort, every business should be able to find a compatible and valuable accountant, Ms. Fisher said. "There is somebody out there for everybody. There are not bad clients, there are bad matches."

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