

Positioning your firm in a dynamic marketplace



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The CPA firm marketplace is changing rapidly, as consolidation of the profession is creating larger firms with greater resources and expanded geographic marketplaces, while the competition for quality clients and staff has reached an all-time high.

All of these dynamic market forces are changing the way firms will compete in the near future. It's critical for firms of all sizes to properly position themselves in the marketplace for clients and quality staff in order to gain a competitive edge and achieve their growth goals. The underlying market forces that are affecting strategic options are changing quickly due to the constant flux of the CPA firm environment. The past is not the future —what made a firm successful in the past may not be the same strategy that it will need to be successful in the future. What you're doing right now will shape your future far more than your past.

CPA firm positioning

Positioning should be a significant factor in determining where to devote and invest resources to develop a lead-generation and growth plan to take the firm to next level of success. When determining a firm's positioning, the following factors should be considered:

- Size of the firm relative to the competition in the marketplace and geographic territory.
- The niches and specialty areas that the firm is capable of servicing and that have a strong market demand.
- Marketing and practice development capabilities of the partners and the availability of marketing support systems and professionals.
- The ability to attract, develop, and retain highly qualified professionals.
- The competencies and technical skills of the partners and staff and their ability to adapt these skills to the needs of the marketplace.
- The firm's financial resources to invest in marketing and professional staff and partners.
- Predicting the competitive pressures for clients and staff in the firm's geographic marketplace.

Successful positioning requires the execution of each of the factors mentioned above. Each factor should play off of the other to collectively position the firm. When firm management defines and communicates the best possible positioning in the marketplace, it can align its organization and professionals with the game plan and be more successful at implementation. "The timeless challenge of leadership is to bring together a group of diverse individuals and create an environment where they will work together effectively toward common shared goals," said James Quigley, former CEO of Deloitte.

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CPA firm strategy

Determining which positioning to choose in the marketplace environment is an important factor in determining a firm's growth strategy. Positioning a firm involves making hard decisions about how the market is shifting for clients and staff and analyzing the changing landscape of the competition. To be successful over time, the firm must align its market position, and the talents and capabilities of the partners and staff, according to the changing marketplace. The ability to take a good look at the future of the CPA profession and to realistically assess the resources required to effectively compete in the future are the necessary ingredients for developing and implementing a successful strategy. The time to make critical positioning changes is now. "It is not the strongest of the species that survive, not the most intelligent, but the ones most responsive to change."—Charles Darwin

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