

## PRACTICE MANAGEMENT

## Practicing Solo

*"Practicing Solo" features interviews with our industry's new and seasoned sole practitioners. If you are itching to join the solo ranks, or striving to be more efficient and effective in your established one-person firm, this column offers you practical advice, steeped in experience from the trenches, that can move you forward."*

By Rod P. Burkert, CPA, ABV, CVA, MBA

## INTERVIEW: JOHN SULLIVAN

I hope you enjoyed last issue's interview with David Cooper. Our interview series continues, with this issue featuring John Sullivan, CPA, ABV, CVA. John hails from Voorhees, New Jersey. (Right out of college, I began working for Price Waterhouse in Philadelphia and my very first apartment was in Voorhees.)

John started his solo firm, Sullivan Strategic ([www.sullivanstrategic.com](http://www.sullivanstrategic.com)), in November 2014. His practice sweet spot is business consulting and valuation for entrepreneurs operating in a market space with revenues in the range of two to ten million dollars.

**Rod:** What was your first year like and what would have made it better?

**John:** The first year was stressful for several reasons. I had a small group of tax clients, so I knew that my first few months of "busy season" would carry me financially for the first part of the year, but I wondered what would come next. Aside from the potential financial strain, I was not used to relying on just myself for answers. I missed the aspects of a firm whereby I could walk into the next office and bounce questions or scenarios off a colleague. In the middle of my first year, I reached out to colleagues in my network to setup alliances whereby we could build referral relationships as well as active work relationships. Right now, I have the best "team" I've ever had—comprised of another CPA that I share office space with, an outsourced bookkeeping firm, a business attorney, a tax attorney, and a M&A/valuation firm that I work with. I've had an insane number of referrals from these people, and the M&A firm has led to twenty-plus additional valuations per year that I would not have otherwise gotten in my first few

years as a solo. The moral of this story is that setting up "your team" sooner than later is critical. Lock down key alliances with other like-minded professionals ASAP (or before you quit your firm!) to let them know what you are about/what you love to do so that they know you are passionate about your work and are good at it. Also, it is a two-way street whereby you can refer out work that you aren't comfortable with and they will likewise send referrals back to you in-kind.

**Rod:** Did you have a formal (or even semi-formal) business plan?

**John:** I did not have a formal business plan, but I did build out a large spreadsheet consisting of my startup costs and operating costs (e.g., licenses, software, rent, etc.). The spreadsheet also analyzed other firm billing rates and average costs of certain projects such as tax returns, valuations, and financial statements, so I would know how to appropriately bid new clients.

**Rod:** How did you first attract clients and how did that strategy evolve over time?

**John:** I would differentiate myself as a go-to business advisor for small business and entrepreneurs, and emphasize my background in valuation and forensic accounting. Many people know CPAs, but not many have the credentials that I have, other than larger firms. I did not want to compete with the larger firms because I had already been there/done that. Most clients tend to like the personalized attention they get by dealing directly with me, seeing their project through from beginning to end.

**Rod:** What kinds of engagements did you start with?



John Sullivan

**John:** Anything that would pay! I prepared tax returns for small business pass-through entities as well as individuals. I would take on special projects similar to part-time CFO projects with lower-middle-market clients. Valuations were tough to get at first because I needed to build a relationship with the centers of influence in our area.

**Rod:** Do you practice in a specialized niche today?

**John:** In addition to basic CPA work, such as tax returns and business consulting, I've specialized as an M&A advisor and valuation analyst. During the first year on my own, I teamed up with another firm (Everingham & Kerr) so I could provide these services without the start-up costs and ongoing back-office expenses. The relationship has worked out ideally as I can offer services that I would not be able to provide in the past at a CPA firm. For example, in the past, I would prepare a valuation for someone looking to exit their business but did not have any way to help them take the business to market. Now, I can provide them with this option in addition to the valuation itself.

**Rod:** What has been your best marketing tactic?

**John:** One-on-one networking with referral sources and centers of influence. I have a background at Ernst & Young and Campbell Soup, so I highlight that I know what it's like in the big firms, but that I prefer to focus on small business entrepreneurs and lower middle-market companies since that gives me the most satisfaction.

**Rod:** How do you differentiate yourself from larger firms?

**John:** I have the big firm background but can price competitively. As an added selling point, they are dealing directly with me, who is the specialist, and I can give them more attention due to the size of the firm.

**Rod:** Do you work from a home office or an "office" office?

**John:** I loved working from home, but my children are now eight and ten years old, so they can be very loud! I co-lease a 1,100+ square foot office with another accountant and occasionally work out of the M&A firm office as well. Both offices are ten minutes from my house, so it is ideal.

**Rod:** What is your current mobile device?

**John:** Apple iPhone 7.

**Rod:** Describe your current computer workstation set up.

**John:** Multiple monitors galore! These are a must. I run a completely paperless office, so screen space is critical. My

setup at the office is two twenty-seven-inch monitors in landscape mode with another twenty-seven-inch monitor in portrait mode for viewing PDFs. I also have a fifty-five-inch TV to extend my screen for when clients visit...or I'll just put CNBC on.

**Rod:** Besides your phone and computer, any office hardware or software that you just couldn't live without?

**John:** Like most accountants/analysts, I thrive in Excel. I need the real thing. Google Sheets and any Apple product just is not the same! As for hardware, beside the monitors I mentioned, I love my Canon DR-C225 scanner. It's critical for the paperless office. Finally, my standing desk is the best. I have a bad lower back so working fourteen hours a day in the seat does not help. Alternating standing up and sitting is much better!

**Rod:** What do you listen to while you work?

**John:** Spotify normally gives me a blend of the different rock and country music songs I prefer. When I am deep in work mode I tend to listen to instrumental music of any kind.

**Rod:** What tool(s) do you use to manage your to-do list?

**John:** I recently purchased an iPad Pro and use Microsoft OneNote. This syncs between all of my devices and is more robust than simply using Outlook Tasks. It also is much more efficient than my old method of yellow sticky notes all over my desk!

**Rod:** What are your best-cost saving ideas?

**John:** I started out in a Regus office during my first tax season. I had a 10x10 interior office from January to April before moving back to my home office during "off season." This was ideal for starting out as I looked professional and had shared assistants. It also allowed me to come into shared office spaces for client meetings during off season. Since I've grown my business substantially, the requirement for full-year office space was inevitable. Even though I do much of my work via teleconferences, I can't be at home with barking dogs and howling kids. This is where teaming up with other professionals is key. I pay very little rent but still have two office spaces whereby I can connect with other like-minded professionals. If I am working on a valuation, I work out of my M&A office, but if I am working on tax/small business clients, I work where I can bounce ideas off another accountant.

**Rod:** Early bird or night owl—what's your sleep routine?

**John:** Both. I switch it up to keep it interesting. Certain nights are my late nights. Tuesday and Wednesdays, I usually work until 1:00 a.m. (sometimes later, depending on the time of year). Friday mornings I like to wake up early (4:30 a.m.) to knock out work so that I can make happy hour by Friday afternoon!

**Rod:** Do you have liability insurance?

**John:** Yes. I use AICPA Aon CPA Value Plan.

**Rod:** How do you stay technically current with changes in the profession?

**John:** I will typically attend the NACVA conferences every three years to keep up with my BV knowledge. Last year, I couldn't make Vegas, but did their webinar bundle and watched a number of video playbacks of conferences.

**Rod:** What non-BV business book have you read most recently or want to get to, and why?

**John:** *The 4-Hour Workweek* by Tim Ferriss. This is the book that convinced me to "QMJ" (Quit My Job)! The book is primarily geared to product-based businesses, but there is enough other material, not to mention very funny anecdotes from Tim that allow you to apply relatively new concepts to get out of the office/grind and be your own entrepreneur.

**Rod:** How do you recharge? What do you do when you want to forget about work?

**John:** I love to jog. During my busiest times, I turn on my headphones, listen to music, and just get out to jog to clear the stress.

**Rod:** What practice areas do you think offer the most promise to someone going solo now?

**John:** I know there are many who read this magazine that are like myself—they prepare business valuations but also perform business consulting/small tax services. I feel the market is flush with so many entrepreneurs that started businesses after the 2008 market downturn and kids that came out of school during that time that could not get typical jobs. This group of people has made it extremely easy for me to get business as their go-to financial advisor. If you combine this with the fact that many small firm CPAs are retiring, there is so much of this work to go around. I find the time to work and grow with these types of clients as well as prepare about twenty-five valuations per year. It's been a nice problem to have.

**Rod:** Finish this sentence: If I knew then what I know now, I would...

**John:** ...immediately start building solid working relationships with successful business advisors to establish a core level a trust. Once you have this, the referrals back and forth become like clockwork. **VE**

**That's a wrap! Do you have a Practicing Solo issue you would like me to address? E-mail me at [rod@rodburkert.com](mailto:rod@rodburkert.com).**



*Rod Burkert, CPA, ABV, CVA, MBA, is a practice development coach who helps overwhelmed BVFLS professionals create more margin in their practices and their lives so that they can have more time, money, and freedom to do the things that matter most to them and their families.*