The Power of Real-Time Financial Data & Analytics to Penetrate the Restaurant Niche Market

How one progressive accounting firm transformed how they do business with a cloud-based accounting platform

A case study with Dixie McCurley, Partner, Trusted CFO Solutions
There must be a better way!

Learn how one firm leveraged cloud-based accounting and bill management solutions to grow a successful client accounting services niche practice.

**Trusted CFO Solutions**

**Firm Profile:** Trusted CFO Solutions (TCFOS) is an accounting solutions and advisory firm based in Atlanta, Georgia. Co-founded in 2011 by Dixie McCurley and her partner, both co-founders have owned and operated restaurant businesses. Key services include back-office accounting, cloud-based solutions, system implementations and virtual CFO services. The firm has a track record for leveraging cloud-based technology solutions to help clients create the strategies, infrastructure, and standardized processes needed to run successful, scalable businesses. In short, the firm takes a holistic view of a client’s workflow and internal processes to create order out of chaos.

**Challenge:** With a deep understanding and appreciation of the business problems and financial challenges restaurants typically face, the firm’s partners saw an opportunity to put their extensive experience and expertise in the restaurant area to practical use to build an outsourced client accounting and virtual CFO services practice and grow a restaurant niche vertical by leveraging the power, inherent efficiencies, and real-time visibility of cloud-based technology.

**Solution:** As you will see, with Dixie and her partner well versed in restaurant workflow and operations, they were able to develop a successful and growing outsourced virtual CFO and client accounting services practice serving the unique, specialized needs of the restaurant industry. The firm achieved their business goals by taking advantage of cloud-based technology solutions, including best-of-breed programs (e.g., Intacct and Bill.com) provided through the AICPA Trusted Business AdvisorSM Solutions program. The firm also attended, and found extremely helpful, workshops and conferences provided through CPA2Biz, Intacct, and Bill.com. Dixie noted that the firm chose Intacct for its accounting, reporting and Dashboard capabilities; and Bill.com for its automated and standardized online A/P capabilities.

“**We saw a need in the restaurant industry for better management reporting, standardized systems and internal controls.**”

— Dixie McCurley, Partner, Trusted CFO Solutions

In this case study with Dixie McCurley, Partner, Trusted CFO Solutions (TCFOS), we will look at the practical insights and best practices Dixie learned to grow her firm’s Client Accounting Services practice and penetrate the restaurant market. In particular, we’ll focus on both the technology solutions her firm used to achieve success, as well as the practice development strategies that she implemented. Dixie gained much of this knowledge by attending the 2-day workshop “Roadmap for Profitably Moving Your Client Accounting Services Practice to the Cloud” from CPA2Biz.
On choosing the right niche for your firm…

Dixie commented that one of the first steps a firm should consider when building a client accounting services niche practice is to choose a niche that fits the strengths and expertise of the firm and its staff. In the case of her firm TCFOS, Dixie and her partner had both owned/operated restaurant businesses, so they were familiar with the challenges and the opportunities they could expect. But Dixie emphasized the importance of performing a niche SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats) to ensure a good match between your firm and the vertical you are considering. One key point she noted: when identifying a niche that would be a good fit for your firm, start with your existing clients and the common challenges they face. For her food industry clients, this included inaccurate data, out-of-balance accounting, tax compliance, and opening new locations. Then identify what services these clients could benefit from, such as real-time management reporting, a standardized accounting system, internal controls, and so on.

With her background in the food industry, Dixie knew there was a lot of opportunity to bring order to the chaos most restaurant operations experience. In addition, she knew the restaurant business is a growth industry expanding rapidly. For example, she noted that from 1970 to 2012 (projected) restaurant food-and-drink sales “grew from $42.8 billion dollars to $631.8 billion dollars.” She also noted that 57% of people surveyed are “more likely to patronize a restaurant that offers a loyalty and reward program.” Clearly, a technology solution that could integrate and leverage such a system into a restaurant’s business processes and provide real-time visibility and analytics could prove very valuable to the client.
Based on her knowledge of the restaurant industry and its growth opportunities, she strongly believes other firms should consider this growing niche. However, she advises to always perform a SWOT analysis first to evaluate “your firm’s strengths and weaknesses” and to weigh the opportunities versus threats to your success. Dixie says you should ask yourself, “How can I use my strengths to commercialize these opportunities and overcome any threats? How do I make sure any weaknesses don’t spoil these opportunities and what corrective action is needed if weaknesses combine with threats?”

For Dixie and her partner, the restaurant niche was a perfect fit. Dixie, a self-admitted “foodies,” loves to try out new restaurants, try new dishes, meet the chefs, and even attend restaurant industry events. Dixie always makes a point of taking the time to talk to business owners, chefs, and restaurant managers about the daily problems their business faces and the tools they use to run operations from bookkeeping systems to expensive POS tools. She learns a lot from these informal discussions and, as a direct result, has won several new clients after conversations with the restaurant owners, while dining at their establishments.

Dixie also pointed out the importance of researching a niche or vertical market to understand its potential for growth opportunities. For example, her research showed that the food/restaurant industry is growing by leaps and bounds. Many client entities are expanding into multiple locations as well. Equally important, you must know the risks, threats and weaknesses of any given niche. In the case of the restaurant business, Dixie saw a great need for standardization and automation.

She noted that typical restaurant operations often are built around a series of “disconnected systems” from QuickBooks to expensive POS systems, from manual bookkeeping and check writing to manually keeping track of inventory. Dixie said the ideal holistic solution should “bring order out of this chaos.” Indeed, cloud-based tools are the ideal way to introduce a holistic approach to managing a restaurant client’s business operations.

With the Cloud, you can offer your clients consistent standardized processes, real-time cash control and consolidated finances, multi-entity reporting, full financial visibility and transparency, remote access and more. For TCFOS, Intacct (cloud-based financial management & accounting platform) and Bill.com (bill and cash flow management tool) provided the critical strengths needed to support a growing niche practice, including automation efficiencies, and standardization best practices made possible, for example, through Intacct’s reusable accounting templates, as well as Bill.com’s standardization and automation of A/P and A/R processes. Dixie noted that with Intacct’s reusable templates, you can set up a chart of accounts, powerful reporting and real-time dashboards for one client and then reuse those templates, reporting and dashboard features again and again as you onboard new clients within the same vertical.

Intacct also integrates easily with other financial programs and tools your clients may be using. For example, Dixie found that Intacct can be set up to access the financial and operational data of a restaurant client’s current POS system, data that is critical to the restaurant’s business success. (A growing community of third-party software and hardware vendors provides the tools you need to integrate Intacct with popular POS systems.) Intacct can take this POS system data and generate real-time dashboards, KPI benchmarking data, and customized reports of the restaurant’s popular menu items being purchased and consumed, the most purchased wines and desserts, biggest and least profitable items, waiters with the top table turns, etc. This is the kind of key information that is critical to helping a restaurant business grow and prosper. And with Intacct, it is now possible.
On developing a marketing plan…

Dixie took advantage of marketing and educational materials, including the 2-day CPA2Biz workshop “Roadmap to Profitably Moving Your Client Accounting Practice to the Cloud,” as well as Intacct and Bill.com workshops and training. One of the things she learned from the 2-day workshop was to “develop a detailed marketing plan.” Dixie also made it her business to connect with restaurant owners. Dixie also says you should post comments on Yelp, Open Table, Food Spotter, Social Living and tell them what you do. She also attends niche-related events and conferences, such as Taste of Atlanta, Dine America Gala, Georgia Restaurant Association, and Culinary Colleges. In other words, be sure to actively network within the vertical you want to support.

“Speak to chefs and managers. Ask what systems they use, what are their problems and offer recommendations.”

- Dixie McCurley, Partner, Trusted CFO Solutions

On defining the engagement lifecycle…

Dixie suggests you consider the advantages of fixed-fee products and services and the alternative of “pricing your services based on client-perceived value, rather than hours spent.” She learned from expert Ron Baker, that “billing does not equal pricing.” Dixie’s firm has organized new client engagements into 3 key phases: client-needs assessment, implementation and on-boarding of new clients and finally the ongoing client services phase. In each phase, Dixie says you can charge for your services. For example, in the client-needs assessment phase, you can spend significant time in discovery that leads to your recommendations. In the implementation phase, you prioritize goals, begin planning, and take action. Finally, in the ongoing client services phase, you are fully providing back office accounting services, virtual CFO services, cloud solutions and more.

Dixie uses the following 3-phase fee structure in her practice, which you can use as a guideline for charging your future cloud-based client accounting services.

In phase 1 (client needs assessment), Dixie recommends charging between $2,000 and $5,000+ for the initial assessment and recommendations.

In phase 2 (implementation and on-boarding of new clients), Dixie suggests charging your new client double the cost of phase 1 for on-boarding and migration fees to your new cloud-based platform.

In phase 3 (ongoing client services), Dixie recommends charging $1,500-5,000+ per month for recurring virtual CFO and controllership services, back office accounting services, etc. Of course, these are just suggestions, you can charge more or less depending on your niche market, any competition you have, and so on.

Another lesson Dixie learned, you may need to adapt the management and staffing structure of your firm to take into account the new roles and responsibilities key individuals within your firm will need to play to successfully manage your new Client Accounting Services practice. For example, Dixie strongly recommends you consider bringing on a dedicated Project Manager or Managers to manage all the new cloud-based functions and services your firm will offer. Your firm should also consider having a Director of Operations to manage the assessment, discovery, and implementation phases of on-boarding new clients into your cloud based practice, as well as a Director of Accounting to manage on-going recurring monthly client services.
On setting up and configuring Intacct and Bill.com…

“Start slowly with one client.”

- Dixie McCurley, Partner, Trusted CFO Solutions

Dixie recommends that you “start with one simple client.” Remember, this is a learning period for both you, your staff, and your client. Work out the kinks and get everything running smoothly before you on-board more clients into this niche. You need to define, train, build, model and finally deploy. Dixie commented that…

Implementation… “It’s a process.”

- Dixie McCurley, Partner, Trusted CFO Solutions

In summary, Dixie made one final observation: "Once you create a niche, Intacct’s multi-entity, multi-location functionality makes it scalable" to bring on new clients in that niche and ultimately to other verticals as well. Dixie added that you should “figure out where you want your practice to go and then find the software solutions to take you there. It’s an investment in planning and developing the solution you want to deliver to your clients. And once you’ve created it, it’s a solution you can use over and over with new clients.”

To learn more about our Trusted Business Advisor® Solutions Program, and our cloud-based offerings, including Intacct and Bill.com, please visit CPA.com. Thank you.

Intacct is a cloud-based, on-demand financial management solution that empowers accounting professionals to collaborate better with clients to improve financial performance, deliver better financial advice and help them make faster, smarter business decisions. Core modules include G/L, A/P, A/R, Cash Management, Order Entry, Purchasing, and more.

Bill.com is a cloud-based cash flow and bill management service that streamlines and automates your client’s accounts payable and receivable processes with complete security and control to help you deliver profitable client accounting services, while enabling your clients to focus on their core business.