



4 Factors To Determine
The Right Tax Services Pro For
Your Small Business



PADGETT
BUSINESS SERVICES
Planning For Your Dreams



They may seem supplemental to your small business operations, but tax services are of incredible importance to your success. Most business owners think about taxes only when deadlines near or their tax advisor calls (if they have one). But, this is no recipe to streamline your business and give yourself every opportunity to reduce your tax burden.

If you're looking for support – whether it's the first time you're seeking small business tax services or you're thinking of making a change – there are four key factors that determine whether a tax consultant is right for your business.

Evaluating Your Current Tax Professional

If you currently enlist tax services or work with a small business consultant, are you completely confident that your partner is supporting you in every way possible? How do you know if that consultant is providing the kind of value that you should receive? The answer is largely driven by how much your tax advisor knows about you and your business. Does he or she know your business vision, goals and aspirations?

Whether a tax professional, accountant, consultant or all of the above, your business partner must have a blueprint to help you achieve your goals. You don't want someone to simply prepare your taxes. You want someone to help you achieve your goals and progress your small business.

What does that partner look like? Break it down by the following four factors.



1. The Professional Experience And Qualifications You Need

Small business tax services, by nature, require certain types of experience and qualification. There are a number of elements that you should always consider:

Big Business Vs. Small Business

If you work with someone who has far more experience with big business, you're bound to become frustrated. You never want to be the smallest (or least important) client. You need someone to truly get to know your business. Work with a partner who appreciates your business and is capable of giving you the attention you deserve.

Industry Experience

Finding a tax consultant with experience in your specific field is much less important than finding someone who understands small businesses and their tax concerns. Tax codes are the same regardless of the kind of business you're in; it's how they are applied that varies. You need a partner who is capable of helping you best apply these codes to your small business.

It's also important for an advisor to have experience with certain aspects of your particular business. For instance, if your employees make tips or your business involves inventory, you need someone who understands the implications of these characteristics.

Service Offerings

Your tax consultant must be capable of addressing all of your tax needs – federal, state, payroll, income, sales and beyond. If you have a specific tax concern, ensure that your consultant's tax services address this issue. Be cautious and make sure that no one is agreeing to support you in ways that he or she is not qualified to.

Licenses & Certifications

The most extensive resume may be impressive, but if the resources to support you are lacking, how much value could that individual truly provide? Look for credentials as a starting point, but don't let it be the determining factor. A certification alone doesn't make a tax advisor qualified to best help you.

Consider your specific needs and focus on finding someone who has the resources and knowledge necessary to support your small business.

Ability To Make Projections

While the majority of tax services focus on past happenings – taxes paid on last month or year's revenue – you need someone who is able to project what the coming year holds. This is most valuable.

Being able to tell you what happened last year is a proficiency that most tax professionals possess. On the other hand, it takes a unique skill set to make a sound projection for this year. It's also important for your consultant to give you counsel on what to adjust to reduce your tax burden. Simply indicating what you owe from last year's operations isn't nearly as valuable.

2. Characteristics Of The Individual

Tax services are one thing; developing a partnership is something more. The right tax partner works with you on a regular basis. He or she should be someone you can call on to ask questions throughout the year. You must find a partner who meets the following criteria:

Relationship

Do you relate to him or her? Does he or she relate to you? You need to develop a strong relationship – one in which your advisor understands you on both a business and personal level.

Communication

Much of a strong relationship is dependent on your communication. Your consultant must understand your business in the way you talk about it, and he or she must explain taxes, reporting and compliance in your language.

Furthermore, are you confident that your consultant will promptly return your calls? If you prefer face-to-face meetings to phone calls or emails, is he or she able to accommodate your needs? Ultimately, ensure that your advisor can deliver information in a way that you're comfortable with.

Credibility & Confidence

When it comes to your partner's credibility in terms of being able to support you, it's often the case that both an overconfident accountant and one who lacks self-assurance is apt to make mistakes. Confidence is key.

If a small business consultant doesn't appear confident, it may be that this person questions his or her own ability to help you.





3. The Level Of Availability You Need

What good is a tax advisor who isn't around to provide you with advice when you need it? You must be certain that your partner has the time to address your concerns and answer your questions within 24 hours.

Tax issues don't only arise between January and April. When you run into a problem with a potentially great impact on your business, you should be confident that your tax professional is available to help you in a timely manner, any time of year.

4. The Importance Of A Single Point Of Contact

Given the importance of communication, having a single point of contact who understands your business is essential. While you should feel comfort in knowing that this person has the infrastructure to support him or her, you must be aware of who is helping you from day one and on.

This does not negate the fact that your partner is better equipped to solve your problem with the support of other experienced professionals. Having the backing of a knowledgeable team is especially helpful when you need to address a unique issue. No matter how much expertise your advisor has, a team of people is more capable of identifying the best solution than one individual alone. Consider what resources your consultant has to support his or her efforts in supporting you.

Nonetheless, for 365 days of support, ensure that you are working closely with one experienced professional who is able to build a one-on-one relationship with you.

How Do You Find The Right Tax Advisor For You?

The right partner for you and your small business might not be the first professional you talk to. In fact, it may be difficult to find advisors worth speaking to in the first place. It's always best to talk to your peers for recommendations. Other small business owners are a great resource. These people have working relationships with professionals and have insight into those experiences. While you still need to do your own due diligence (as people tend to believe that their tax advisor is best), collect some names of professionals whom your peers trust.

When you have several recommendations, narrow your search down to a handful of qualified candidates and set up interviews with them to get a feel for who they are and how they will work with you. Some questions worth asking include:

- How long have you been in business?
- Do I fit in with your practice?
- Do you work with many small businesses?
- Would I be a valuable customer of yours?
- What's your specialty?

If a tax professional gives you too much advice in a meeting such as this – before he or she truly knows much about you and your business – you probably want to stay away. You also want to understand any consultant's policy for charging clients, as you'll need to estimate your costs to some extent. In general, flat-fee arrangements are far more advantageous than hourly rates.

A tax partner is just that – a partner. Anything less is an engagement that leaves you and your small business with unmet needs. In any partnership, you must have great communication and a solid relationship. Assess your current support system and ensure that you have a partner who helps you achieve your long-term goals.



NEED HELP FINDING THE RIGHT TAX ADVISOR AND SERVICES FOR YOUR SMALL BUSINESS?

Join Padgett for a [Free Small Business Financial Assessment: The Advice You Need To Keep More Of Your Hard-Earned Cash](#)



780.482.7297

www.padgettnw.com