

20 EASY STEPS TO STARTING YOUR BOOKKEEPING BUSINESS

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About the Author



Sylvia Jaumann is quickly becoming known as the go-to gal in the bookkeeping business field. Her 18+ years of bookkeeping experience has enabled her to successfully run her own bookkeeping business.

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Introduction

Welcome to the **“20 Easy Steps to Starting Your Bookkeeping Business”!**

As an experienced bookkeeper you know that bookkeeping is one of the most challenging, rewarding and necessary functions of operating a business.

If “the books” are not in order a company can quickly go out of business and find themselves in hot water with the government. So accurately keeping track of revenue and expenses is the key to all successful businesses.

A bookkeeping business is considered an “evergreen” business. This is because as long as there are businesses, there is a need for bookkeepers. This leaves the door wide open for you to reap the rewards with this ongoing trend by helping these businesses with their bookkeeping.

You’ll find that your bookkeeping business will be setup very quickly by following the steps laid out in this report. So let’s get started!

Step 1:

Your Bookkeeping Business Name

You’ll need a great name for your bookkeeping business. Make sure you consider all aspects of the name you choose and that there are no negative undertones to the name.

Use descriptive words such as “Accurate” or “Reliable”. Or you can try a play on accounting-type words such as “Capital” or “Bottom Line”.

You can also use your own name as your business name. For example: "Susan Jones Bookkeeping Services".

After you've come up with three possible business names, contact your local government authority.

Step 2:

Obtain Licenses / Permits

After your business name has been finalized, contact your local city hall to inquire about a business license and any permits that are required to operate your bookkeeping business.

If you're running a home-based bookkeeping business make sure you state this in your application with the local authority.

You need to find out all the zoning requirements for home-based businesses and whether (or not) clients can come to your home. Do not miss this step.

Step 3:

Research Your Hourly Rate

To determine the going hourly rate in your area, contact at least three or more local bookkeeping businesses and ask them what they charge per hour.

You need to factor in your overhead costs when determining your hourly rate. So don't just automatically charge per hour what you've been making as an employee.

Step 4:

Setup Your Office

You need to set up your office to get it ready for business. This means having your computer, desk and work area all setup and ready to go.

You'll also have to decide on whether you want a separate phone line for your bookkeeping business.

This can be costly, so a cheaper alternative is to use a "smart ring" service available from most phone companies. You'll get a separate phone number and all your business calls will have a special ring, letting you know it's a business call.

You'll also probably want to setup a fax line for your business. One way to handle this is to use an online "fax to email" service which gives you a unique fax number that automatically forwards to your email account. This works quite well.

If you have the money in your budget, you'll also want to invest in a comfortable office chair, large flat screen monitor, shredder and multi-function scanner/copier/fax machine.

Step 5:

Setup Your Filing System

An organized filing system is critical for storing clients' paperwork in your office. You need a system that allows for easy retrieval at a moment's notice.

Setup a file system for your clients files. You can use file boxes or a file cabinet for this. You'll want to divide up sections to keep each client's files together.

You may want to color-code your files in different categories such as "Accounts Receivable", "Account Payable", "Bank Statements", etc. to make finding paperwork even easier.

Step 6:

Select a Backup System

As a bookkeeper, it's critical to have several backup systems in place in case of a hard drive crash.

It's been said that hard drive crashes and motherboard failures are a certainty at some point with all computers. So be aware that it will happen eventually and have a backup system in place for when this occurs.

Decide on which backup system you'll be using. I suggest backing up onto a CD for each client.

You will also need a secondary data backup system. You may want to back up online or onto a flash/thumb drive system for this.

Step 7:

Choose Your Target Market:

In order to become a "specialist" in your bookkeeping niche, you need to determine what types of bookkeeping you prefer doing.

To do this, first decide what type of company structures you prefer to do bookkeeping in: proprietorships, corporations, or partnerships. This is important because these businesses have slightly different accounting needs.

Then, break that down further to what types of businesses you enjoy or have experience in: retail, service, construction, non-profit.

Step 8:

Choose the Scope of Your Services

As a bookkeeper, there are many services you can provide to your clients. Some will be mandatory as a bookkeeper and others will be optional depending upon your experience.

Make a list of all the bookkeeping services you'd like to provide in your bookkeeping business.

Here's an example of the bookkeeping services you could provide:

- Full charge bookkeeping
- Accounts receivable
- Accounts payable
- Payroll & payroll remittances
- Bank reconciliation
- Government reports & remittances
- Budgeting
- Cash flow analysis
- Financial Statement preparation (Income Statement & Balance Sheet)
- Accounting software training and installation
- Income tax returns

Step 9:

Create Letterhead & Business Cards

In order to promote your bookkeeping business, you'll need business stationery such as letterhead and business cards.

This can be as inexpensive as creating your own stationery using Word or Publisher or having them developed using the services of a professional printer, which will cost more.

I don't suggest you make a huge investment in business stationery, at least during your startup phase as this money can be used towards other costs such as postage and other advertising.

But you do want your stationery to be clean looking, professional and free from any errors.

Step 10:

Create a Sales Letter

Writing a sales letter to potential clients is an extremely effective way to immediately let potential clients discover your bookkeeping services.

A sales letter gives you the opportunity to let your potential clients find out who you are, what you can do and (most importantly to them) how it will benefit them.

Using a word processing program such as Microsoft Word, you can quickly do a mail merge to send out personalized letters to hundreds of businesses at a time.

Step 11:

Build Your Mailing List

In order to send out your sales letters, you'll need to put together a mailing list. This can easily be done by spending the time to create one yourself. Generally, you should be able to access most of this information online.

You can put together this list using:

- Your local telephone book
- Chamber of Commerce member list

- City Hall business license directory

You may need to use a combination of all three to get all the information you need. You should have the following for your mailing list:

- Contact Name
- Business Name
- Address
- Zip / Postal Code
- Telephone Number (if you plan to follow up with a phone call)

Step 12:

Contact Accountants

The fastest way to get your bookkeeping business going is through referrals. So by developing a relationship with the accountants in your area, you will quickly be the first person the accountant calls when their clients need help with their day to day bookkeeping.

Accountants are always looking for good bookkeepers to refer their clients to. Not only does it make the accountant look good but it saves them from an accounting nightmare at year end.

Contact your local accounting firms to find out which accountant handles subcontracting and referrals for bookkeeping services.

Step 13:

Prepare “Elevator Speech”

You should have an “elevator speech” ready for when you meet a prospective client. An elevator speech is your 30 second sound byte introducing who you are and what you do.

For example:

- *"My name is Susan Jones. I am a bookkeeper who assists small businesses by handling their finances so they can relax and take care of their business."*

The idea is to list a benefit your client will enjoy by doing business with you. In the example above the benefit would be "so they can relax and take care of their business".

Step 14:

Create a Classified Ad

People love to read the classified ad section of the newspaper. By listing your classified ad under "Services for Hire" for example, potential clients will easily find your bookkeeping ad.

The trick, however is to write a catchy headline that will make people stop to read your ad. You also need to get your point across in as few words as possible because you are being charged by the word.

Step 15:

Setup Your Bookkeeping Website

Having a website to showcase your bookkeeping business is important in several ways:

- It's extremely cheap advertising (you just pay monthly web hosting fees after you've purchased your domain name)
- You can post information on your services, rates and other related bookkeeping information so that when potential customers call, most of their questions are already answered.

- Having your website listed and linked onto local business directories is usually free.

Step 16:

List Your Website in Google

You can quickly get yourself listed in Google so your bookkeeping website appears at the top of the listing for the keywords "bookkeeping [your city]" alongside Google Maps. To do this, simply add your information [here](#).

Step 17:

Setup a Blog

This step is optional. Having your own blog is a good way to generate traffic to your website and gain a following of loyal readers. If you have a lot of information you want to share about bookkeeping, accounting, or taxes, this would be a good place to do that.

If you do decide to start a blog you should plan on updating it regularly to keep people coming back.

Step 18:

Write Your Business Plan

This is where you'll implement the decisions you've made about your bookkeeping business. You'll put together everything into your business plan: your business name, your target market, sources of revenue and advertising strategies.

To most people, writing a business plan is the most stressful part about starting a business. Having to actually sit down and put all your ideas into printed form can be an intimidating task.

It doesn't have to be though. Once you have all the details that have been running around your head down on paper, you can finally relax and concentrate on the business itself because you've established the road map of where you want your business to go.

Step 19:

Getting Retainers from Clients

Before you begin work on any new set of books you may want to consider requesting a retainer fee up front from the client. This is to ensure that you get paid until you become familiar with the client's financial payment practices.

Getting a retainer can save you a great deal of time and money if, down the road, you discover that your client has a habit of not paying his creditors.

Step 20:

Billing Your Clients

If you are charging by the hour you will need an accurate record of the hours spent on each client's books.

A simple way to do this is by buying a daily diary that has one page entry per day.

Enter your start and finish times as you work on each client's books. Also, make a brief note of what you did during that session.

Then, at month end, simply go through your diary and tally up your hours onto a spreadsheet.

Final Thoughts

Well, you've reached the end of the **"20 Easy Steps to Starting Your Bookkeeping Business"**. If you've followed all the steps laid out, you should have created your own functional bookkeeping business.

You should also have a complete bookkeeping business plan which outlines the full scope of your business and will guide you on your journey as a freelance bookkeeper. Congratulations!

RECOMMENDED RESOURCE

For complete, detailed information on starting your bookkeeping business, you owe it to yourself to check out "Secrets to Starting & Running Your Own Bookkeeping Business"

Here's just a sample of what you'll learn:

How to get more referrals without resorting to nagging

12 Low-Cost / No-Cost Methods to Promote Your Business

How to quickly write your business plan

An easy way to setup your bookkeeping website in one day



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