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The importance of involving your CPA in your business

By Denice Gierach, Gierach Law Firm, December 4, 2022

Most business owners have an internal bookkeeper and accounting staff to handle standard bookkeeping, accounts receivable and accounts payable.

Depending on the size of their company, they may have a controller and / or a chief financial officer (CFO). All business owners employ an outside accountant, usually to do tax returns, and sometimes to audit the books, if required by their lender.



For years, it has been suggested that a business owner should have a team of people outside of the business that could collaborate with other team members to give the business owner enough information to make the best decisions for their company and for their family.

This is an investment well made in the company's success. This team should consist of a certified public accountant (CPA) who has business common sense; an outside general counsel who has extensive experience at helping companies grow and with preventive care for businesses; and a financial planner who can offer expert advice and investments.

The business owner may add other professionals such as retired business owners, or others who have retired out of Fortune 500 companies. This is a powerhouse team that can help the business grow exponentially and avoid the pitfalls that they often face. This is akin to having a board of outside professionals, all of whom are working to make your business as successful as possible.

Often, the business owner only uses a CPA to look at historical items, such as reporting on what the company has performed in the past years or doing tax returns, which also reflect the past performance. This may ignore the best use of the CPA's skillset in participating in the future for the company, and for the business owner.

The right CPA can be instrumental in planning for pricing on current and future products, transfer pricing for related companies, how to properly pay team members, incentive pay to keep a quality workforce, whether to grow the company organically or buy another company, what kind of company is a good fit, how to price a potential target company, and other things of this nature. A forward-thinking CPA can be essential to the growth of the company.

In addition to the growth of the company, a good CPA is also looking at issues that are personal to the business owner. For instance, the CPA is aware of estate tax laws, able to suggest potential

gifting to family members, use of charitable bequests or present gifting, to lower potential estate taxes.

They also can be part of the discussion on exit strategies for the business. While most business owners do not want to look at exit strategies until they decide to retire or must look at it from a health perspective, the CPA can discuss the options. These may include the sale to partners or other owners, the gift and sale of the business to a child or children of the owner or selling to the employees in the form of an ESOP.

Choose the right CPA and get them around the table for the big and important discussions. An outside CPA who can provide all this knowledge rounds out a team of advisers -- who are equally great in their areas of expertise.

They are an investment you make to get your business where you want it to be, and to stay proactive instead of reactive. They can look at the business from 10,000 feet and give the best advice for the best results. That is one of the main goals for most business owners, right?

Denice Gierach is an attorney, CPA, Northwestern University business master's graduate, and has owned several businesses including in real estate and manufacturing. She is the lead attorney at Gierach Law Firm in the Chicago area. With more than 30 years of experience, she has been a respected and sought-after resource for businesses looking to grow, sell, solve problems, and succeed long term.

Her insights across business areas gives a fuller lens to business issues and solutions, and helps businesses grow and succeed with less time spent on legal issues and other time-consuming problems