

As Seen In

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# growth

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S T R A T E G I E S

## Independent thinking fuels this CPA practice

Sound strategy, good people contribute to growth

By **AMBROSE CLANCY**

Way before he graduated from Long Island University in 1986 with a degree in accounting, Tom Brown wanted to be his own boss.

"Even as a kid I wanted to be independent," said Brown, owner of Ronkonkoma's Thomas Brown CPA.

At the age of 14, not knowing what profession he would choose, he designed a logo for the company that now bears his name.

Thomas Brown hasn't just survived, it's seen remarkable growth in the three years Brown has been on his own, going from a one-man operation to four professionals, and seeing the firm's revenues increase to the tune of 225 percent.

While director of tax at ILC Holdings in Bohemia, Brown was doing individual tax work on his own time, and finally snagged a corporate account. He found he had an embarrassment of riches as his private work began to grow and "I was working non-stop hours, weekends and I needed a change," he said.

He took the leap, and found a niche by taking on work larger CPA firms were not handling, taking advantage of a wrinkle in the Sarbanes-Oxley Act. The new law prohibits CPAs who audit a company from preparing that company's taxes and that's where Thomas Brown, through referrals usually from the auditing firm, comes in.

Networking is always an important tool to grow a business, but Brown noted that "focused networking is needed." It's a



**Sarbox, the bane of many an accountant, has been a friend to Tom Brown.**

waste of time to just attend every plastic-glass-of-wine and cheese-and-crackers reception, he said.

“Be choosy on where you go and who you meet,” he said. One way he picked up a good chunk of his post-SOX business was going against the grain of standard networking intelligence by schmoozing with other people in his field. He talked to CPAs, especially ones at big firms who referred him to clients needing tax work.

One such referral led him to Michelle Urban, vice president of finance for Plainview’s Coinmach Service Corp. Urban

had tax work done by a larger accounting firm “but Tom’s level of service gave me a greater comfort level in our numbers,” she said. “With larger firms more things are missed than if you have someone working individually on your numbers.”

Urban also said that the hours billed were the same as the big firm but the rates were lower, another reason why she would stay with Thomas Brown.

Brown cautioned that exclusively working a new, niche market is not a sound growth strategy. It’s better to keep tried and true sources of income such as individual 1040 work.

Brown said another tool is to get an outside, totally objective eye to spotlight what you’re overlooking and where you can improve. He noted that the one thing he missed not working for a large firm was a mentor who can guide and advise. He used business coach Andrea

Feinberg before he went on his own and has consulted with her since. “You need an outside voice of reason,” he said. “Andrea’s been excellent.”

Hiring good people has been the greatest challenge to growth, but Brown employed people who had been out of the workforce

for awhile and wanted to come back on less stressful terms.

“Pay them well, of course, but it’s important in a sometimes stressful business to have a laid-back attitude and provide as much flexibility as you can when it comes to working hours,” he said.

Although Thomas Brown still works with small, family-owned businesses, the opening to large firms created by Sarbanes-Oxley “is limitless for a small practice,” Brown said. “Companies looking for good service and yet not [willing to] pay \$500 an hour will turn to us.”

#### Success strategies according to Tom Brown:

Find a niche, but don’t neglect tried and true sources of income

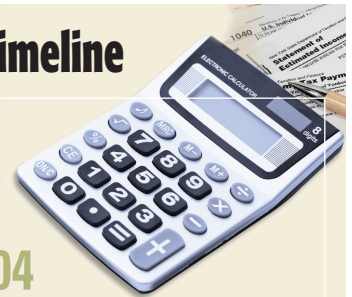
Get an outside, objective expert to guide and advise you

Network, but only in a focused way

In a stressful business, keep the office laid back and be flexible

Seek referrals from members of your own profession

## Timeline



### 2004

While working as director of tax for ILC Holdings, Tom Brown works on individuals’ taxes and scores his first corporate account

### 2005

Tom Brown leaves ILC Holdings to form Thomas Brown CPA

### 2005

Works a niche market created by the Sarbanes - Oxley Act and puts into practice “focused networking” strategies

### 2007

Has an office of four professionals; sees 225 percent growth since start-up

### 2008

Seeks more growth by expanding his services to large corporations