

Working in Practice

Buying and Selling a Client List

This can be a very quick way to establish a client base. There are often adverts in the back of trade magazines offering small, medium and large practices for sale, either in its entirety or, to buy in as a partner.

This may be the perfect solution, but the following questions should be considered before committing hard earned savings to buying a client list: -

- Have you any experience in the type of businesses or trades of the clients on the client list being sold?
- How is the price calculated? Is it over estimating the turnover and profitability of the practice?
- What is the majority of work? Book keeping, VAT returns, year end accounts, sole traders, partnerships, limited companies etc.
- Are there any commitments to employ others within the practice? I.e. book keepers.
- Are there any commitments to rent property or offices?
- Are the majority of the clients within a suitable geographical area?
- Does the style and customer relationship of the present accountant/practice match with your own, as if they are vastly different you may not retain many of the clients?
- Does the data, systems and accounts being offered match with your accounting experience and understanding?
- What is the handover period?
- What does the deal include? (a retainer to allow for repeat business may be good for the purchaser, but the vendor may also insist on additional payments as well)
- How likely are the clients to move to you permanently, do you match their expectations?
- How are the fees structured, and do they match with the new proprietor's expectations or wishes?

This list is not exhaustive, and there will be other questions to ask when looking to purchase a client list. Ask others for advice, and keep asking questions on value for money and suitability.

If you are selling the practice as a client list, thinking through the questions detailed above will help to analyse exactly what is being sold, and help target the perfect purchaser for the clients and yourself.