



Main Street Financing Challenges

Veteran CPA to Business Owners: Build and Maintain Strong Business Practices

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Sam Thacker
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Tuesday I interviewed Bill Wisecarver, a veteran Certified Public Accountant (CPA) with 37 years of accounting experience. I asked him to give his best advice to small and mid-sized business owners that might help them grow and thrive through the rest of the recession. His thoughts and advice are valuable, interesting and timely.

Mr. Wisecarver is an audit partner in the Texas based accounting firm of [Pagett Stratemann & Company \(PS&Co\)](#). PS&Co is a 68 year old accounting firm that is an innovative firm with 24 partners and 200 employees (during tax season). PS&Co has experienced 20 – 24% revenue growth during the past 24 months because it added services such as on-site interim CFOs, valuation services, and merger and acquisition support that attracted new clients.

Wisecarver advises when choosing a CPA firm, think about the skill sets they may be able to provide in helping you build strong business practices. Consider how you can use them as trusted advisors and not just tax preparers and bookkeepers.

Mr. Wisecarver is a no-nonsense kind of practical accountant who tells it like it is. When asked what the top three concerns he hears from his accounting clients today, without any hesitation, he answered:

- 1) Monitoring cash flow and having adequate liquidity,
- 2) Not having enough sales or enough sales backlog as they would like, and
- 3) Keeping resources of organizations “right sized” for the highest level of efficiency.

Mr. Wisecarver is a strong believer in monitoring cash flow on a weekly basis while working capital is in short supply.

Mr. Wisecarver says his firm's financially strong clients going into the recession have not had difficulties obtaining new bank debt, although he has seen a few clients who have had their bank lines of credit not renewed. He said several have had difficulties finding a new line of credit lender. Overall though, Mr. Wisecarver's firm has not seen a total freezing of credit to its clients.

As a veteran CPA, Mr. Wisecarver has seen several recessions during his time. He mentioned during our interview that a few of young CPAs in his practice as well as other practices in his area have been surprised at how quickly a company with strong revenues could be hurt by the economy.

If he was speaking to you right now, Mr. Wisecarver would say the number one piece of advice he could give business owners is to implement and maintain strong business practices. In his career, he has seen companies with poor business practices generate strong revenues in one year and fall flat the next when times were tougher.

Among the strong business practices Mr. Wisecarver suggests are:

- Keeping very accurate accounting books
- Producing timely financial statements and understanding how to react to changes in your company's performance quickly
- Using a CPA that has expertise in your company's field of expertise
- Decide if your CPA is going to be an advisor or simply a provider of accounting services. Wisecarver prefers the advisory service approach as it provides more training and value to small and medium sized businesses.

During my interview with Mr. Wisecarver, he disputed the common notion that certain industries as a whole are recession proof and others are automatically in danger because of the recession. He provided the example of medical practices which are commonly thought of to be recession proof, where he has seen well run medical practices thrive and poorly run medical practices suffer.

The bottom line according to Mr. Wisecarver is if your company builds and operates using strong business practices you are likely to do well in good times and bad. For companies that have been able to generate strong revenues for years even though they don't employ strong management and operational practices, your company may not be one of the survivors.

You may contact Sam directly at: sam@lesliethacker.com

or follow him on Twitter: [SMBfinance](#)