

Firms that don't keep fighting for new work will be left behind

IN A TIME of unrelenting negativity, Lalor O'Shea is in expansion mode. The profitable Carlow accountancy firm has bought offices in Ballsbridge, Dublin, and plans to boost its turnover of €2m by 10%-20% this year.

"It's easy to sit back and not look to grow in this climate of fear, but you have to be out there fighting all the time," said John O'Shea, co-owner and managing partner. "We've all seen in the past nine months how quickly things can change. The day you stop looking for business is the day you die."

O'Shea, 41, has no plans to let that happen — it has taken him 15 years to build up his own practice.

He just missed out on going to university because he could not get a grant. "I couldn't afford college, so I looked at what career would give me a good future," he said. Finance looked like the best bet. O'Shea started work in Dublin as a trainee accountant in the late 1970s, writing up ledgers by hand, reconciling bank and cash receipts. "I found it hard working all day and studying at night when I was paid just IR£30 [€38] a week and my rent was IR£20," he said.

After two years, he went home to Carlow and worked for a local firm for five years. There he met Padraic Lalor and they became friends. In 1994, O'Shea went out on his own. Although it was his first step on the road to success, it is an experience he never wants to repeat.

He rented 500 sq ft of space just off Carlow's main street, but he soon felt the walls closing in. He saw nobody all week long except the occasional client. "It is very lonely when you start out," he said. He was alone for a year before taking on a part-time bookkeeper. "I started out with IR£500 in my pocket and an overdraft," he said. "It took two to three years of hard graft before I built up a client base and started to make money."

Family and friends proved a good source of new contacts and he relied on word-of-mouth to bring in customers. "You have to make sure people know you are there," he said.

O'Shea is the first to admit that luck has played a part in his success. As more and more housing estates were built around the county, he was able to add local builders and estate agents to his client list. "New businesses were springing up all the time, and I picked up lots of them," he said.

In 2003, O'Shea got together with Lalor, a tax specialist, and Micheal Nicholson, an industry veteran with wider experience. "The whole environment for accountancy was changing. Some of my clients were getting very big, but I was limited in what I could do.



Watching the bottom line: O'Shea has cut costs while winning clients

HOW I MADE IT

John O'Shea, co-founder and managing partner of Lalor O'Shea

There were restrictions on the size of clients I could act for as a one-man band."

Lalor O'Shea spent €800,000 buying and fitting out new 4,500-sq-ft premises in central Carlow. By then, the business had three partners and 15 staff.

Having spent his early years surrounded by scraps of paper and documents, O'Shea was keen to find a way to streamline the work and cut costs, too. The answer lay in technology. "There is massive duplication in the traditional way accounts are created," he said.

O'Shea wanted to get his clients to use the internet to submit the details needed to produce their accounts. He had bought a licence to use applications created by Winfield, a leading provider of online accounting services in Europe.

"Lots of clients wanted to try it, but they did not have broadband. That was a limiting factor in the early years. We did not give it to anyone who had dial-up, as it could cut out while they were trying to send in figures each month."

So they waited until 2005 to roll out

Teamwork.ie, Lalor O'Shea's dedicated online accounting website. It took about two years to get the word out to customers, he says, but now about 150 of the firm's 700 clients use the service.

The credit crunch helped to make it more popular because small firms were no longer happy to wait until the end of the year to review their accounts.

"We find clients much more open to using it now because it means they can have real-time information as to how their business is doing," he said. "They can look back at key performance indicators in such areas as revenue and costs each month and spot any trends."

For the time being, he is going after business from small firms. "There's no point going after really big business now as it takes longer to win," he said. "A small firm can take a decision quickly."

Lalor O'Shea wants to switch more clients to using the internet as it's a low-cost way to grow the business, given that customers input the data and the accountants simply have to check it on screen at their own office each month.

When it comes to signing up new customers, O'Shea is just as cost-conscious. He says there are plenty of inexpensive ways to boost a firm's reputation and revenue.

He employs a full-time in-house marketer and uses the services of a PR company to create a newsletter and press releases. His favourite method of getting new clients, however, is just to ask for referrals.

"We have already picked up a number of clients in Dublin just by asking our customers to refer others to us. Most accountants never do that," he said.

O'Shea is also a big fan of networking, whether through organised groups, such as the local enterprise board, or a over a game of golf or lunch. Use these opportunities to keep others up to date and to ask for criticism, he advises.

"It's important that people are aware of what you are doing and of any changes in your business. I spend a lot of time on business development. Lots of businesses don't tell their story efficiently enough. People need to educate their clients," he said. "They also need to listen. If we are not doing something right, I want to know now, rather than in six or nine months."

Not that he heeds everything he is told. "When we adopted online technology, others thought we were mad and that it would never catch on. Accountants are very conservative by nature, but those who won't change will be left behind."

Rose Costello